Pureprofile

Pureprofile Ltd
ACN 167 522 901

PROSPECTUS

IMPORTANT INFORMATION

This is an important document that includes key risks of an investment in Shares and should be read in its entirety. If you do not understand it you should consult your professional advisers without delay

LEAD MANAGER

BLUE OCEAN EQUITIES

BROKER TO THE OFFER

Shaw Stockbroking

IMPORTANT INFORMATION

OFFER

The Offer contained in this Prospectus is an invitation to acquire fully paid ordinary shares (**Shares**) in Pureprofile Ltd. (ACN 167 522 901) (**Company**). This Prospectus is issued by the Company and Secondary Offering Pty Ltd (ACN 601 123 460) (**SaleCo**).

LODGEMENT AND LISTING

This Prospectus is dated 19 June 2015 and was lodged with the ASIC on that date. It is a replacement prospectus which replaces the prospectus dated 12 June 2015 that was lodged with ASIC on that date (**Original Prospectus**).

The key differences between the Original Prospectus and this Prospectus are: the inclusion in this Prospectus of some further notes to the tables in the Key Offer information Section to assist with understanding the basis of calculation of the details included in that Section and the clarification of the numbering of the notes to these tables; the inclusion of some further information regarding the fact that Pureprofile has a diverse client base which is not highly concentrated (Sections 2.2 and 7.1.2); the inclusion of some further information regarding Pureprofile's suppliers (Section 2.16); a change in the wording regarding the movement in online market research spending relative to total global market research spending during 2009 to 2013 to include reference to the fact that it declined by 1% in 2013 (on page 36) and the clarification of what information was used by Directors in preparing the Statutory Forecast Results and Statutory Forecast Cash Flows Statements for FY15 (Section 5.2.2).

The Company has applied for admission to the official list of ASX and the grant by ASX of official quotation of the Company's shares. None of ASIC, ASX or their officers take any responsibility for the content of this Prospectus or for the merits of the investment to which this Prospectus relates.

EXPIRY DATE

No shares will be issued or sold on the basis of this Prospectus after its expiry date, being the date 13 months after the date of the Original Prospectus.

REVOCATION OF OFFER

Pureprofile reserves the right to not proceed with the Offer, to close the Offer earlier than 17 July 2015 or to extend the Offer at any time, in each case without prior notice.

APPLICATIONS

Applications for Shares may only be made by completing the Application Form accompanying this Prospectus. It is important that you read this Prospectus carefully in its entirety before deciding to invest in the Company.

SPARC ACQUISITION

Pureprofile intends to complete the acquisition of the businesses of Sparc Media Pty Ltd, Future Students Pty Ltd, Adsparc Pty Ltd and 100% of the shares of Funbox India Private Limited (India) and Sparc Media sp. z o.o. (Poland) (together ***Sparc***) prior to Completion of the Offer. This Prospectus is written on the assumptions that the Sparc acquisition has completed.

OFFER OF EXISTING SHARES BY SALECO

The Shares offered under this Prospectus include 4,238,850 existing Shares offered for sale by SaleCo under the General Offer. This Prospectus is prepared and presented on the basis that none of these Shares will be classified as restricted securities by ASX. For example, references in this Prospectus to the total number of Shares offered under this Prospectus, the gross proceeds of the Offer, or the percentage shareholdings of Existing Shareholders and new Shareholders on Completion of the Offer, are presented on this assumption. The Company has not obtained confirmation that these Shares will not be classified as restricted securities prior to the Prospectus Date and will do so following the Prospectus Date.

If any of these Shares are classified as restricted securities by ASX, Pureprofile may determine to withdraw the Offer. If the Offer is withdrawn, any Application Monies held by Pureprofile will be returned to investors (without interest). If the Offer proceeds, the number of Shares offered for sale by SaleCo under the General Offer will be reduced to that number of those Shares that are not classified as restricted securities by ASX (and accordingly are not subject to any restrictions on transfer under the Listing Rules). This will not have any impact on the Company or its financial position as outlined in this Prospectus as the proceeds of sale of those Shares are payable to SaleCo. It would result in a small increase in the percentage shareholding of Exiting Shareholders on Completion of the Offer and a corresponding decrease in the percentage shareholding of new Shareholders on completion of the Offer.

SELLING RESTRICTIONS

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Shares or the Offer, or to otherwise permit a public offering of Shares, in any jurisdiction outside Australia. Distribution of this Prospectus outside of Australia may be restricted by law and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. Applications can only be made by completing the Application Form in full, in accordance with instructions contained on the reverse of the Application Form.

In particular, This Prospectus has been prepared for publication in Australia and may not be released or distributed in the United States. This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The Shares have not been, and will not be, registered under the United States Securities Act of 1933 (**US Securities Act**) or the securities laws of any state of the United States and may not be offered or sold in the United States or to, or for the account or benefit of, a U.S. Person except in a transaction exempt from the registration requirements of the US Securities Act and the provisions of any applicable United States state securities laws.

GLOSSARY

Defined terms and abbreviations included in the text of this Prospectus have the meanings defined in the Glossary in Section 11.

All references to time are to the time in Sydney, New South Wales.

EXPOSURE PERIOD

The Corporations Act prohibits the Company and SaleCo from processing Applications in the seven day period after the date of lodgement of the Original Prospectus (**Exposure Period**). The Exposure Period may be extended by ASIC by up to a further seven days. The purpose of the Exposure Period is to enable the Prospectus to be examined by market participants prior to the raising of funds. Applications received during the Exposure Period will not be processed until after the expiry of the Exposure Period. No preference will be conferred on any Applications received during the Exposure Period.

OBTAINING A COPY OF THIS PROSPECTUS

A paper copy of the Prospectus is available free of charge to any person in Australia by calling Pureprofile's Share Registry on 1300 737 760 (or if calling from outside Australia, +61 2 9290 9600) between 9.00am and 5.00pm (AEST) Monday to Friday during the Offer Period.

This Prospectus is also available to Australian resident investors in electronic form at the Company's website http://businesses.pureprofile.com/investors. The Offer constituted by this Prospectus in electronic form is available only to Australian residents accessing the website within Australia. It is not available to persons in other jurisdictions (including the United States). Persons who access the electronic version of this Prospectus should ensure that they download and read the entire Prospectus.

Applications for Shares may only be made on the appropriate Application Form attached to, or accompanying, this Prospectus in its paper copy form, or in its electronic form which must be downloaded in its entirety from http://businesses.pureprofile.com/investors. By making an Application, you declare that you were given access to the Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing the Application Form on to another person unless it is attached to, or accompanied by, this Prospectus in its paper copy form or the complete and unaltered electronic version of this Prospectus.

NOTE TO APPLICANTS

This Prospectus provides information for investors who wish to invest in the Company. The information contained in this Prospectus is not financial product advice and does not take into account the investment objectives, financial situation and particular needs of investors.

It is important that you read this Prospectus carefully and in its entirety before deciding to invest in the Company and in order to make an informed assessment of the assets and liabilities, financial position and performance, profits and losses and prospects of Pureprofile and the rights and liabilities attaching to the Shares.

There are risks associated with investing in the Company. In considering the prospects of the Company, you should consider the risk factors that could affect the performance of the Company, and carefully consider these factors in the light of your investment objectives, financial situation and particular needs (including financial and taxation issues) and seek professional guidance from your broker, solicitor, professional adviser or accountant before deciding whether to invest. Some risk factors that investors should consider are outlined in Section 1.2 and Section 7. There may be risk factors in addition to these that should be considered in light of your personal circumstances.

No person named in this Prospectus, nor any other person, guarantees that any specific objective of the Company will be achieved or that any particular performance of the Company or of its shares, including those offered by this Prospectus, will be achieved, or the repayment of capital or any return on investment made pursuant to this Prospectus.

This Prospectus includes information regarding the past performance of Pureprofile. Investors should be aware that past performance should not be relied upon as being indicative of future performance.

FORWARD-LOOKING STATEMENTS

This Prospectus contains forward looking statements which are identified by words such as "may", "could", "believes", "estimates", "expects", "intends" and other similar words. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, at the date of this Prospectus, are expected to take place. You should note that these statements are inherently subject to uncertainties in that they may be affected by a variety of known and unknown risks, variables and other factors which could cause actual values or results, performance or achievements to differ materially from anticipated results, implied values, performance or achievements expressed, projected or implied in the statements.

These risks, variables and factors include, but are not limited to, the risks described in Section 7 and summarised in the Investment Overview (Section 1.2). Pureprofile gives no assurance that the anticipated results, performance or achievements expressed or implied in those forward-looking statements will be achieved and investors are cautioned not to place undue reliance on these forward-looking statements. The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in the Prospectus, except where required by law.

DISCLAIMER

No person is authorised to give any information or to make any representation in connection with the Offer and issue of the Shares described in this Prospectus, which is not contained in this Prospectus. Any information or representation not so contained may not be relied upon as having been authorised by the Company, SaleCo, their directors, their advisers or any other person in connection with the Offer. You should rely only on information in this Prospectus. This disclaimer does not purport to disclaim any warranties or liability which cannot be disclaimed by law.

PRIVACY

The privacy obligations and policy relating to this Prospectus are contained in the privacy disclosure statement in Section 8.8.

PHOTOGRAPHS AND DIAGRAMS

Photographs and diagrams used in this Prospectus are for illustration purposes only and should not be interpreted to mean that any person shown in them endorses the Prospectus or its contents unless stated otherwise. Similarly, assets such as equipment, buildings or other property depicted in the photographs are not necessarily assets that are owned or used by the Company and have been included for presentation and illustrative purposes unless stated otherwise. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available as at the date of this Prospectus.

FINANCIAL INFORMATION

Section 5 sets out in detail the financial information referred to in this Prospectus. The basis of preparation of the financial information is also set out in Section 5. Financial amounts expressed in this Prospectus are in Australian dollars unless otherwise indicated. Any discrepancies between totals and sums of components in tables contained in this Prospectus are due to rounding.

COMPANY'S WEBSITE

Any references to documents included on the Company's website are provided for convenience only, and none of the documents or other information on the website is incorporated in this Prospectus by reference unless specified in this Prospectus.

QUESTIONS

If you have any questions in relation to the Offer, please contact Pureprofile's Share Registry on 1300 737 760 (or if calling from outside Australia, +61 2 9290 9600) between 9.00am and 5.00pm (AEST) Monday to Friday.

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Key Offer information

The Offer

Total number of Shares offered under this Prospectus	24,338,850[1]
Number of Shares held by Existing Shareholders	37,833,480[2]
Number of shares held by Sparc Vendors	Nil (see below)[3]
Total number of shares on issue at Completion of the Offer	57,933,480
Gross proceeds of the Offer (before costs)	$12,119,425[4]
Offer Price per Share	50 cents
Indicative market capitalisation of the Company at Completion of the Offer (at Offer Price)	$29.0m[5]
Number of Options on issue on Completion of the Offer[6]	3,371,000
Pro forma net cash on Completion of the Offer[7]	$4.0m
Indicative enterprise value of the Company (at Offer Price)[8]	$25.0m

Investment metrics

Forecast FY15 pro forma revenue	**$20.6m**
Forecast FY16 pro forma revenue	**$28.1m**
Enterprise Value/FY15 pro forma revenue	**1.2x**
Enterprise Value/FY16 pro forma revenue	**0.9x**
Forecast FY15 pro forma EBITDA	**$0.3m**
Forecast FY16 pro forma EBITDA	**$2.5m**
Enterprise Value/FY15 pro forma EBITDA	**83.3x**
Enterprise Value/FY16 pro forma EBITDA	**10.0x**
Earnings Per Share (FY15 forecast)	**(0.7) cents**
Earnings Per Share (FY16 forecast)	**1.3 cents**[9]
Earnings Per Share (FY15 forecast adjusted for amortisation)	**(0.3) cents**
Earnings Per Share (FY16 forecast adjusted for amortisation)	**1.8 cents**[9]
Price Earnings Ratio (FY15 forecast)	**N/A**[10]
Price Earnings Ratio (FY16 forecast)	**37.6x**[11]
Price Earnings Ratio (FY15 forecast adjusted for amortisation)	**N/A**[12]
Price Earnings Ratio (FY16 forecast adjusted for amortisation)	**27.8x**[11]

1. The total number of Shares offered under this Prospectus comprises 20,000,000 new Shares to be issued by the Company under the General Offer, 4,238,850 existing Shares offered for sale by SaleCo under the General Offer and up to 100,000 new Shares under the Employee Award Offer.
2. This includes the 4,238,850 existing Shares offered for sale by SaleCo under the General Offer.
3. Funbox Media Group Pty Limited (ACN 144 955 162), founded by Wout Van Damme, and the parent company of each of the Sparc Vendors will be issued Shares in up to 3 tranches following Completion of the Offer. The number of Shares is dependent upon the performance of Sparc in FY15 and 1H16 and the Share price at the time of issue of each tranche of Shares. Shares issued in the first tranche will be issued at $0.40 per Share and Shares issued in subsequent tranches will be issued at a price per Share equal to the 30 day VWAP as at close of trading on the relevant day. For illustrative purposes only, if the relevant issue price for all tranches was $0.40 per Share, then the minimum number of Shares to be issued would be 3,125,000 and the maximum number of Shares to be issued would be 9,000,000. For further details see Section 9.7.
4. Of the gross proceeds, $2,119,425 will be payable to SaleCo and $10,000,000 will be payable to the Company.
5. Market capitalisation calculation is based upon the number of Shares on issue at Completion of the Offer and does not include Shares that will be issued to Funbox Media Group Pty Ltd ACN 144 955 162 during FY16. For more details on the Sparc Acquisition, refer to Section 9.7.
6. Details of Rewards and Options issued to employees of Pureprofile under the Company's STI and LTI (which may result in the issue of further Shares) are contained in Section 4.3.4 of this Prospectus.
7. The pro forma net cash is calculated (using the figures in the Pro Forma Balance Sheet in Section 5.5) as the pro forma cash and cash equivalents (of $11.7m) less the deferred liabilities (Sparc Media) (of $5.6m), the financial liabilities (of $0.6m) and the costs of the offer (included as creditors in the Impact of the Offer column (of $1.5m)). This may not represent the actual net cash position of Pureprofile at Completion of the Offer.
8. Enterprise value is calculated as the Company's market capitalisation at Completion of the Offer, based on the Offer Price, less pro forma net cash on Completion of the Offer.
9. Earnings Per Share calculation assumes an additional 7,646,378 Shares are issued to Sparc vendors in FY16. The number of Shares issued is dependent upon performance of Sparc in FY15 and FY16 and the Share price at the time of issue. For further details, refer to Section 9.7. The forecast FY16 pro forma NPATA (rounded to the nearest thousand dollars) is $1,150,000.
10. The calculated Price Earnings Ratio (FY15 forecast) is (72.1)x. Negative Price Earnings Ratios are typically not used for valuation purposes, hence the value provided is not applicable ("N/A").
11. Price Earnings Ratio calculation assumes an additional 7,646,378 Shares are issued to Sparc vendors in FY16. The number of Shares issued is dependent upon performance of Sparc in FY15 and FY16 and the Share price at the time of issue. In addition, the tax effect of amortisation of $0.2m on the Sparc Media acquisition has been excluded. For further details, refer to Section 9.7.
12. The calculated Price Earnings Ratio (FY15 forecast adjusted for amortisation) is (185.5)x. Negative Price Earnings Ratios are typically not used for valuation purposes, hence the value provided is not applicable ("N/A").

Important Dates

Date of this Prospectus	19 June 2015
Opening Date of the Offer	22 June 2015
Closing Date of the Offer	17 July 2015
Allotment of Shares (Completion of the Offer)	24 July 2015
Expected dispatch of holding statements	24 July 2015
Anticipated date of trading of Shares listed for quotation on ASX	29 July 2015

These dates are indicative only and may change. Unless indicated, all times are Sydney times. The Offer will open on the Opening Date and will remain open until 5.00pm (AEST) on the Closing Date subject to the right of the Company to vary the dates and times of the Offer, including, to either close the Offer at an earlier time and date or to extend the closing time and date or accept late applications either generally or in particular cases, without prior notice. Applicants are encouraged to submit their Applications as soon as possible after the Offer opens.

How To Invest

Applications for Shares can only be made by completing and lodging the Application Form attached to or accompanying this Prospectus.

Chairman's Letter

19 June 2015

Dear Investor,

On behalf of the Board of Directors, I am pleased to invite you to become a Shareholder in Pureprofile Ltd (the **Company**). As a founding Shareholder, I have seen Pureprofile grow from a start up leading the concept of profiling, recognising the value of respondents, to a highly regarded global player in this exciting field of online marketing.

I welcome you to participate in the next phase of our journey.

Pureprofile enables consumers to create and manage their online Profiles. We then enrich these Profiles using proprietary big data technology – and then monetise these Profiles with global brands, publishers and advertisers.

What we do puts us at the forefront of online marketing and research – accurately targeting consumers on a one-to-one basis. Pureprofile enables its clients to deliver ads that are directly relevant to those consumers and hence of high value to the advertiser.

Pureprofile has developed and refined its technology platform since foundation in 2000. The investment in our technology platform and the expertise of our management and development team provide a leadership that positions the Company to take advantage of the opportunities in the fast growing global online advertising space.

This leadership is reflected in our client list – Pureprofile's clients are global corporations spanning many sectors. We serve them from operations based in Europe, India, the United States and Australia.

Our leadership is equally reflected in the growth of our business, with pro forma revenue forecast to increase by 20% in FY15 compared to historical pro forma revenue in FY14. See Section 5 for full details of the Company's pro forma historical and forecast financial information. We operate in a global, fast-growing market and have a range of opportunities which we plan to pursue in order to sustain profitable revenue growth in the years to come.

The Company is led by a committed, deeply experienced founder management team. Our Board includes individuals that have operated at a senior level in some of the leading global digital media companies.

Sparc Media

Immediately prior to Completion of the Offer, Pureprofile will finalise the acquisition of Sparc (details of which are included in Section 9.7). As well as bringing an outstanding team focused on programmatic trading of online advertising inventory, performance marketing and publisher relationships, the Sparc Acquisition brings the potential for exciting synergies – including the ability to combine rich Profiles and targeting with programmatic trading to create highly effective ad campaigns for our clients in key international markets. This is a compelling strategic position of the research and programmatic businesses with complementary skillsets.

We welcome Wout van Damme, the founder of Sparc, to the management team and all of the Sparc team to Pureprofile.

The Offer to Investors

This Prospectus contains details of a General Offer of 24,238,850 Shares in Pureprofile at an Offer Price of 50 cents each. The Listing will provide Pureprofile with funds to acquire Sparc, additional capital to pursue identified growth opportunities, including the further development of its proprietary technology and databases, and exposure to the fast growing programmatic advertising market. The Listing will also provide Pureprofile with improved access to capital and an improved capacity to attract and retain quality staff. Following Completion of the Offer, the Existing Shareholders will own approximately 58.0% of the Company. The General Offer is fully underwritten by Blue Ocean Equities Pty Limited.

Through this Prospectus the Company is also inviting all Eligible Employees to acquire 2,000 Shares each for no consideration payable to the Company under the Employee Award Offer.

Detailed information about the Offer and the financial and operating performance of Pureprofile is set out in this Prospectus. It also includes a description of the key risks associated with an investment in Pureprofile in Section 7 such as economic risks, loss of large clients, competition, deterioration in business reputation, loss of key personnel and staff, acquisition risks, risks of overseas operations, exchange rate risks, technological infrastructure, reliance and change risks and risks associated with changes in privacy and data laws. I encourage you to read it carefully and in its entirety before making your investment decision.

On behalf of the Board of Directors, I commend an investment in Pureprofile to you and look forward to welcoming you as a Shareholder.

Yours faithfully,

Fredrick Swaab
Chairman

1. Investment Overview

1. Investment Overview

Frequently Asked Questions

1.1. Introduction		
Question	**Answer**	**For further information**
Who is the issuer of the Prospectus?	Pureprofile Ltd. (ACN 167 522 901) Secondary Offering Pty Ltd (ACN 601 123 460)	
What is the Offer?	The Offer is an offering in Australia of up to 24,338,850 Shares, comprising the issue of 20,000,000 new Shares by the Company and the sale of 4,238,850 existing Shares by SaleCo under the General Offer and the issue of up to 100,000 new Shares by the Company under the Employee Award Offer.	Section 8.1
Why is the Offer being conducted?	Pureprofile is conducting the Offer to raise funds to: • acquire Sparc; • accelerate Pureprofile's growth in Australasia and international markets, including North America, Asia and Europe; • accelerate development of its core technology and cloud platform; • build a publisher-side platform for the management of a publisher's audience-base; • acquire additional databases, sources and channels; • provide sufficient general working capital to support growth; and • enable the Shares to be listed on the ASX. In conjunction with the Offer, Pureprofile is seeking admission to the official list of ASX and quotation for Shares.	Section 8.1.2

1.2 Key features of the Pureprofile business model and strategy

Question	Answer	For further information
What does Pureprofile do?	Pureprofile is a Profile marketing and insights technology company. Pureprofile provides a platform, which enables consumers to create and manage their online Profiles – and rewards them for doing so. Pureprofile then enriches these Profiles – for example by combining membership details, surveys and research, sampling and tracking with a suite of big data applications. Pureprofile then monetises these Profiles with global brands, market researchers, publishers and advertisers. Pureprofile's data enables its clients to match surveys and marketing messages that are directly relevant to those people. Through its programmatic media trading capability (via the Sparc Acquisition), Pureprofile will also provide: • managed programmatic campaign services to advertisers and agencies, which involves using data, algorithms, computers and human expertise, to buy and sell online advertising inventory through advertising exchanges to advertisers and agencies; • media trading, which involves the buying and immediate resale of ad inventory programmatically; and • performance marketing/lead generation campaigns for education providers and other performance focused advertisers.	Section 2
Why is Pureprofile acquiring Sparc?	Pureprofile is acquiring Sparc to accelerate its media revenues where Pureprofile believes it can combine profiling and programmatic trading and performance marketing to potentially increase the effectiveness and insights for marketing and research campaigns.	Section 2.7, 2.8

1.2 Key features of the Pureprofile business model and strategy

Question	Answer	For further information
What are the details of the Sparc Acquisition?	Details of the Sparc Acquisition are set out in Section 9.7. In summary: • Pureprofile will be acquiring Sparc, including the Australian business and assets and its subsidiary in India and its subsidiary in Poland; • the purchase price is based upon financial performance of Sparc in FY15 and 1H16 but will be a maximum price of $6.6m and a minimum price of $2.5m; • the purchase price is payable in four instalments with $1.25m (plus an amount equal to the excess net working capital) payable within 10 business days after completion of the Sparc Acquisition; the other three instalments are payable between 1 September 2015 and 1 March 2016; • the first $6m of the purchase price is paid half in cash and half in Shares. Any amount above $6m will be paid in Shares; • no Shares will be issued prior to Completion of the Offer. Shares will only be issued in the 2nd to 4th instalments of the purchase price; • the first payment instalment is payable in cash only; • the Shares to be issued in the second instalment will be issued at $0.40 per Share; • the Shares to be issued in the third instalment will be issued at a price per Share equal to the 30-day VWAP as at the close of trading on 30 October 2015; • the Shares to be issued in the fourth and final instalment will be issued at a price per Share equal to the 30-day VWAP as at the close of trading on 1 March 2016; • the Shares issued as consideration may be classified as restricted securities under the Listing Rules and accordingly subject to mandatory escrow; and • All Sparc staff, including the founders and key employees, have accepted offers of employment with Pureprofile.	Section 9.7
When will Pureprofile acquire Sparc?	It is anticipated that Pureprofile will complete the Sparc Acquisition prior to Completion of the Offer. If the Sparc Acquisition is not completed by Pureprofile prior to Completion of the Offer, the Offer will be withdrawn and all Application Monies received will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act.	Section 9.7

1.2 Key features of the Pureprofile business model and strategy

Question	Answer	For further information
What is consumer profiling and why is Pureprofile's profiling valuable?	Pureprofile enables consumers to create and manage their online Profiles. Pureprofile attracts and engages with consumers by rewarding them for providing demographic and consumer lifestyle information. These Profiles are enriched by combining membership details, surveys, and a suite of proprietary applications. Pureprofile believes that its Profile data and market intelligence is valuable to its clients because for more than 10 years Pureprofile has produced and delivered data for research that has been used by brands and their researchers and agencies to create insights that would be considered important to the decision-making process. Pureprofile has developed and maintained the ability to create high-quality volunteered personal information directly with Account Holders on an ongoing basis.	Section 2.4
What is programmatic advertising and how will Pureprofile leverage this via the Sparc Acquisition?	Programmatic media trading uses data (Profiles), algorithms, computers and human expertise, to buy and sell online advertising inventory through advertising exchanges. The majority of Sparc's programmatic transactions involve *real-time bidding*. Real-time bidding is the buying and selling of ad impressions through real-time auctions that occur in the time it takes a digital ad to load on a web page. As a web page loads in a user's web browser, information about the web page and the user (Profile) are passed to an ad exchange. Advertisers then bid for the right to display their ad to the specific user. The advertiser who bids the highest price wins the auction and their ad is loaded into the users web page. The whole process normally takes less than one second to complete and the auction process repeats each and every time the web page is loaded. Advertisers are typically willing to pay more to display their ads to consumers (Profiles) that fit their target customer. Generally, the more relevant an ad is to the consumer, the higher the response rate and the more effective the advertisement. Through the Sparc Acquisition, Pureprofile plans to offer Profile enriched programmatic services (***Targeted Programmatic***) to agencies, advertisers and publishers. Targeted Programmatic combines Pureprofile's rich first-party Profiles, audience segmentation and market intelligence data with Sparc's programmatic expertise to provide clients with highly qualified audiences for their ad campaigns. This has the potential to generate more effective digital marketing campaigns for advertisers, and improve ad inventory via Profiles and audience segmentation, potentially increasing prices for publishers and making their display advertising and content more relevant and engaging to consumers.	Sections 2.7 and 2.8

1.2 Key features of the Pureprofile business model and strategy

Question	Answer	For further information
How many Profiles does Pureprofile have and what are its future plans for the Profile database?	Pureprofile has to date registered over 1 million Account Holders from over 40 countries. Historically, Pureprofile has consciously kept the size of its Profile base at a constant rate focusing on broadening the demographic and geographic spread of Profiles rather than the total number of Profiles. This strategy allowed Pureprofile to grow its online market research business without having to significantly grow the Profile database (a broader range of Profiles allows a greater variety of research projects). The strategy also enabled Pureprofile to increase the amount of incentives paid to Account Holders (more surveys available per Account Holder). With the move into media sales and publisher licensing, Pureprofile intends to rapidly grow its Profile base organically (via Pureprofile, publisher partnerships and programmatic trading through the Sparc Acquisition) and through acquiring businesses with quality member/Profile bases.	Section 2.4
Who are Pureprofile's clients?	Pureprofile deals predominantly with agencies (who engage Pureprofile to perform services on behalf of brands) and also deals directly with brands themselves. Pureprofile's global client base includes major corporations across many sectors and includes multinationals such as News Limited, Disney, and Audi; as well as major Australian groups such as Commonwealth Bank, Baker's Delight, NSW Health and University of South Australia. Pureprofile's diversified client base also includes: • Other market research companies attracted by Pureprofile's profiling expertise and profile pool. They include Galkal, Galaxy, Lonergan Research, 5th Dimension, Survey Sample International (SSI) and Lightspeed; • Advertisers (direct relationship and acting for their agencies) including eHarmony, Fairfax, Fitness First, Officeworks, Tiger Airways, and Scoot; • Media buying agencies (acting on behalf of major advertisers) such as OMD, UM, Mindshare and Carat; • Public relations (PR) agencies and corporate (in-house) PR departments, including Edelman, and Ogilvy PR; • Academic and applied research studies, including The Institute for Choice through The University of South Australia; and • Universities and education providers, including Open Universities Australia, Bond University, Funded Learning and DeVry University.	Section 2.2
Where are Pureprofile's offices and operations located?	Pureprofile's offices are located in Australia (Sydney, Head Office), the UK (London), and India (Mumbai), with additional operations based out of the US (New York) and Greece (Thessaloniki). Sparc has offices in Australia (Sydney), India (Mumbai) and Poland (Krakow). Pureprofile will acquire the Sparc offices and operations as a result of the Sparc Acquisition and intends to establish an additional office in New Zealand.	Section 2.3

1.2 Key features of the Pureprofile business model and strategy

Question	Answer	For further information
What is the Profiling Platform Licensing offering?	In 2010, Pureprofile launched a SaaS Platform, utilising its proprietary technology to help publishers and brands manage their audience and customer base respectively. In January 2015, Pureprofile entered into a two-year licensing and support agreement with News Limited for it to use the Pureprofile SaaS Platform. Under this agreement Pureprofile has partnered with and helped News Limited launch its new "Connect" service. Connect offers readers of a number of News Limited's online publications the opportunity to earn credits towards subscription in return for building their Profiles (by answering short survey questions). Pureprofile sees significant opportunity to offer the Pureprofile SaaS Platform to other content providers on a similar basis and is currently in discussions with several large publishers/ membership-based organisations. Under its agreement with News Limited, Pureprofile may not provide the service to other major online publishers in Australia (subject to certain exceptions), however may provide it to organisations in other industries and offshore. This restraint operates both during and for a period of time after the termination of this agreement.	Section 2.6
How does Pureprofile generate revenue?	Pureprofile generates revenue from: • online market research – charging advertisers and agencies fees for access to its Account Holders to conduct research, develop brand awareness and make sales; and • Platform licensing – Pureprofile earns a fixed monthly licensing and support fee (for use of the Platform) and a share of revenue from surveys and other activities completed by the publisher's readership (audience). Following the Sparc Acquisition, Pureprofile will also generate revenue from media sales across several verticals of the online marketing industry, including: • Managed campaign (programmatic trading) services – charging clients for purchasing ad inventory and managing the placement of ads on their behalf (at a marked up price to the ad inventory purchased or as a service fee); • Performance marketing – Sparc receives payment for leads generated or on another cost-per-result basis; • Media trading – buying and re-selling ad inventory; and • Publisher yield optimisation – through AdSparc, Pureprofile will help publishers to increase yield through programmatically selling their ad inventory, especially focusing on high impact ad formats. Pureprofile will charge publishers a percentage of the revenue it generates for the publisher.	Sections 2.1, 2.5-2.8 and 5.6.1

1.2 Key features of the Pureprofile business model and strategy

Question	Answer	For further information
What are the key features of Pureprofile's strategy?	Pureprofile's strategic focus includes: • Successfully integrating Sparc; • Growing the existing businesses in Australia, US, UK, India and Poland and entering new markets in Europe, Asia and North America; • Building the Profile database to produce broader and deeper audience segmentation and market intelligence data; developing Pureprofile's suite of big data applications and Sparc's media trading systems and platform; • Incorporating Profile data into managed programmatic and performance marketing; and • Extending the publisher partnership model to other publishers and relevant businesses with large databases offshore.	Section 2
What are Pureprofile's key investment attributes?	The Directors believe the key investment attributes of Pureprofile include: • It operates in a fast growing and dynamic market; • It is strategically positioned to capitalise on the growth in the digital advertising market and the transition from online advertising to individual marketing based on research and profiling; • It has a significant opportunity to realise the potential synergies from the Sparc Acquisition and to develop its programmatic trading services further; • It has developed an innovative engagement model to allow digital content owners and publishers to optimise their advertising revenues by carrying out research and profiling with their audiences; • It has a global opportunity in emerging and fast growing markets; • It has a high gross margin cloud-based SaaS business model; • It has a proven management team with a track record of innovation and an ability to build and maintain complex technology platforms in dynamic markets.	Section 2

1.2 Key features of the Pureprofile business model and strategy

Question	Answer	For further information
What specific key risks are associated with Pureprofile's business?	Prospective investors should consider the following specific key risks which apply to Pureprofile • **Economic Risks –** market research and online advertising businesses tend to be vulnerable to changes in economic conditions. This is somewhat mitigated by the fact that Pureprofile operates in a number of international markets, however there is a significant risk that a deterioration in economic conditions could adversely impact Pureprofile's business. • **Loss of Large Clients –** a loss of one or more of Pureprofile's largest clients would adversely affect the Pureprofile's prospects, operations, revenue and financial condition. However, Pureprofile has low historical customer concentration with the largest customer in HY15 accounting for less than 5.2% of total pro forma revenue in that period. • **Competition –** Pureprofile operates in very competitive industries where many of its competitors are significantly larger than it in terms of their financial, marketing and other resources. Pureprofile must continue to be innovative and provide outstanding service to maintain or increase its market share over competitors. There can be no firm assurance that Pureprofile will be able to successfully compete against current and future competitors or be capable of maintaining or further increasing its current market share. • **Business Reputation –** Pureprofile's ability to maintain its reputation is critical to retaining and expanding its online market research client base. Pureprofile's reputation could be adversely affected if Account Holders provided fraudulent Profile information or fraudulently registered multiple accounts. Any damage to Pureprofile's business reputation may affect existing and potential client relationships and also affect the number of Account Holders who are registered to Pureprofile, which may reduce the Group's ability to provide some of its current products and services. • **Key Personnel –** there are a number of key personnel who are important to Pureprofile. They include the CEO, senior management team, general managers of the international businesses and a small number of technology and media experts. The loss of one or more of these key personnel could have a negative impact on the businesses. • **Staff –** Pureprofile's ability to compete effectively and expand the business is also dependent on its ability to continue to attract, retain and motivate sufficient numbers of skilled personnel with a diverse range of skills (in areas such as research management, software development, marketing and client and panel support services).	Section 7

1.2 Key features of the Pureprofile business model and strategy

Question	Answer	For further information
What specific key risks are associated with Pureprofile's business?	• **Acquisitions –** Pureprofile is acquiring Sparc shortly prior to Completion of the Offer. As part of its business strategy, Pureprofile may make further acquisitions of, or significant investments in, companies, products, technologies and/or products that are complementary to its business from time to time. Pureprofile will need to ensure that it is able to integrate the operations of Sparc and any other acquisitions into its existing business. There can be no assurance that Pureprofile will be successful in realising the anticipated benefits and synergies of any businesses that it acquires. • **Overseas Operations –** part of Pureprofile's business and operations are conducted overseas. As a result, Pureprofile's profitability is to an extent dependent matters specific to each of the jurisdiction in which it conducts business and operations, including general political and economic conditions in each country, changes in market demand, challenges in staffing and managing foreign operations, changes in regulatory requirements, compliance with foreign laws and regulations, foreign tax rates and laws, currency exchange fluctuations, issues in collecting accounts receivable and protecting intellectual property rights. • **Exchange Rate Fluctuations –** the profits from overseas markets will also be subject to foreign exchange exposures, which may affect the Group's overall profitability. Any adverse exchange rate fluctuations or volatility could have an adverse effect on Pureprofile's future financial performance and position. • **Technology Infrastructure –** any system delays or failures, including network, software or hardware failures, that cause an interruption in Pureprofile's ability to communicate with Account Holders, collect data or protect materials included in Profiles, could result in reduced revenue, reputational damage and have a material adverse effect on the business. Additionally, significant delays in the planned delivery of platform enhancements and improvements or inadequate performance of these systems once they are completed, could lead to reputational damage and harm the business. • **Third Party Technology Reliance Risk –** there is a risk that some of the technology used by Pureprofile in the development of the platform may subsequently require payment to upgrade that technology or the payment of royalties to the proprietors of that technology. There is a risk that these platforms could become unreliable or close down. It is also possible that currently used major ad exchanges and ad networks could change their pricing, restrict access or otherwise adversely change their policies of use. Any such changes could have a significant adverse impact on Sparc's businesses.	Section 7.1

1.2 Key features of the Pureprofile business model and strategy

Question	Answer	For further information
What specific key risks are associated with Pureprofile's business?	• **Technological Change –** in order to remain competitive, Pureprofile must maintain and constantly enhance sophisticated data collection, processing systems, software and other technology. Some of these technologies are changing rapidly. In order to retain existing clients and attract new clients, Pureprofile will need to constantly adapt to changing technologies, either by continuing to develop and market new services or by enhancing existing services. Costs will be incurred during these processes. New services or enhancements to existing services may not adequately meet the requirements of current and prospective clients or achieve any degree of significant market acceptance. • **Privacy and Data Laws –** various statutes and rules regulate conduct in areas such as privacy and data protection which affect the collection, use, storage, and transfer of personally identifiable information both in Australia and in the offshore jurisdictions in which Pureprofile operates. Although Pureprofile has strategies in place to comply with these laws and regulations, this ongoing compliance may require Pureprofile to incur compliance related costs. Failure to comply with these laws and regulations may result in fines, negative publicity and data being blocked from use. There is also the possibility that the scope of existing privacy laws may be expanded. These future initiatives may adversely affect Pureprofile's ability to generate or assemble data or to develop or market current or future services, which could negatively affect Pureprofile's business.	Section 7.1

1.3. Summary of key financial information

Question	Answer	For further information
What is the key financial information?	Historical and Pro Forma Balance Sheet	Section 5

As at 31 December 2014	Statutory Historical Balance Sheet	Pro Forma Adjust-ments	Pre IPO Capital Raising	Impact of the Offer	Pro Forma Balance sheet
$M					
Current Assets					
Cash and cash equivalents	0.7	(1.1)	2.2	10.0	11.7
Debtors	2.4	0.7	–	–	3.1
Prepayments	0.1	0.0	–	–	0.2
Total Current Assets	**3.2**	**(0.4)**	**2.2**	**10.0**	**15.0**
Non-Current Assets					
Plant and equipment	0.0	0.0	0.0	0.0	0.1
Intangible assets	1.8	1.0	–	–	2.8
Goodwill	–	5.6	–	–	5.6
Other assets	0.1	–	–	–	0.1
Total Non-Current Assets	**1.9**	**6.6**	**0.0**	**0.0**	**8.5**
Total Assets	**5.1**	**6.2**	**2.2**	**10.0**	**23.5**
Current Liabilities					
Creditors	2.5	0.5	–	1.5	4.6
Account Holder Liabilities	2.7	–	–	–	2.7
Other	–	0.1	–	–	0.1
Deferred Liabilities (Sparc Media)	–	5.6	–	–	5.6
Total Current Liabilities	**5.3**	**6.2**	**–**	**1.5**	**13.0**
Non-Current Liabilities					
Financial Liabilities	0.8	–	–	(0.2)	0.6
Other Non-Current Liabilities	–	–	0.2	–	0.2
Total Non-Current Liabilities	**0.9**	**–**	**0.2**	**(0.2)**	**0.9**
Total Liabilities	**6.2**	**6.2**	**0.2**	**1.3**	**13.9**
Net Assets/ (Liabilities)	**(1.0)**	**–**	**1.9**	**8.7**	**9.6**
Shareholders Equity	6.9	–	1.9	8.7	17.5
Options reserve	0.1	–	–	–	0.1
Retained Earnings	(8.1)	–	–	–	(8.1)
Total Share Capital	**(1.0)**	**–**	**1.9**	**8.7**	**9.6**

1.3. Summary of key financial information

Question	Answer	For further information
	Pro forma historical and forecast income statements	

	Pro forma Historical Results				Pro Forma Forecast Results	
Year Ending 30 June	FY12	FY13	FY14	HY15	FY15	FY16
$'M						
Total Revenue	**15.4**	**16.2**	**17.2**	**9.3**	**20.6**	**28.1**
Cost of Sales	7.7	7.6	8.1	5.3	10.9	14.1
Gross Profit	**7.7**	**8.6**	**9.1**	**3.9**	**9.7**	**14.0**
EBITDA	**(0.2)**	**0.9**	**(1.1)**	**(0.7)**	**0.3**	**2.5**

Financial ratios are set out in the Key Offer information Section.

Full details of the Company's historical financial performance is contained in Section 5. Investors should be aware that past performance should not be relied upon as being indicative of future performance.

Question	Answer	For further information
Does Pureprofile have any debt facilities?	On Completion of the Offer, Pureprofile will have approximately $625,000 of third-party debt facilities (undrawn).	Section 9.4
When will I receive dividends?	The Company does not expect to pay dividends in relation to FY15 or FY16. Any profits will be reinvested in the business in order to maximise growth. It is anticipated that significant expenditure will be incurred as Pureprofile invests in the development of its recently launched Targeted Advertising Sales division (including recruitment of additional advertising sales staff, building Profiles for itself and publisher partners and enhancing the Profile data). These activities, together with the expansion of its offshore offices, are expected to utilise all surplus cash generated by the Company. Accordingly, the Company does not expect to declare any dividends during that period. Any future determination as to the payment of dividends will be at the discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors.	Section 5.9

1.4. Directors

Question	Answer	For further information
Who are the directors of the Company and what is their experience?	• Fredrick Swaab (Non-Executive Chairman) – Non-Executive Chairman of Pureprofile since 2000 and currently Chairman of Partners at Swaab Attorneys. Fred established Swaab Attorneys in 1981 and with his extensive commercial experience has acted as mentor to Pureprofile's senior management team. • Paul Chan (Executive Director and CEO) – founder and CEO of Pureprofile since incorporation. During the first dot com boom, Paul conceived of the idea that each individual's information is their asset and something valuable, which they should control. To this day, Paul continues to provide thought leadership and guide the business and its products to create a digital eco-system that reflects this philosophy. • Geoffrey Nesbitt (Executive Director and CFO) – CFO since 2014, Geoffrey has previously been CFO to an ASX-listed marketing company. Geoffrey has 20 years experience in finance, accounting and general management. Geoffrey has been involved in numerous mergers and acquisitions and trade sale activities and has provided financial guidance to assist in the growth and international expansion of various businesses. • Andrew Edwards (Non-Executive Director) – Chairman & CEO of Leo Burnett UK, President of Leo Burnett Central Europe. Andrew brings over 30 years of direct marketing experience with him. Andrew's time in the UK and Europe will provide valuable insights and guidance for Pureprofile's growth and expansion in Europe. • Clifford Rosenberg (Non-Executive Director) – Currently the Managing Director of LinkedIn Australia and formerly the Managing Director of Yahoo! Australia and New Zealand. Cliff's experience, knowledge and insight in the local digital and marketing industry will assist in the operations of Pureprofile's Australasian business. Please refer to Section 4.1 for full details of each Director	Section 4.1

1.5. Significant interests of key people and related party transactions

Question	Answer	For further information
Who are the Existing Shareholders and are they retaining an interest?	The Existing Shareholders are all of the Shareholders of the Company immediately prior to Completion of the Offer. On Completion of the Offer, the Existing Shareholders will hold a total of 33,594,630 Shares, representing 58.0% of the total Shares on issue at this time.	Section 8.1.4

1.5. Significant interests of key people and related party transactions

Question	Answer	For further information
What Shareholding do the Directors have?	On Completion of the Offer the number of Shares and Options held by the Directors (and their related entities) is expected to be as follows: • Fredrick Swaab – 6,173,850 Shares (representing approximately 10.7% of issued capital on Completion of the Offer), and 400,000 Options. Fredrick Swaab is the Non-Executive Chairman • Paul Chan – 6,962,656 Shares (representing approximately 12.0% of issued capital on Completion of the Offer) and 500,000 Options. Paul Chan is the CEO and Executive Director. • Geoffrey Nesbitt – 250,000 Shares (representing approximately 0.4% of issued capital on Completion of the Offer), and 570,000 Options. Geoffrey Nesbitt is the CFO and Executive Director. • Andrew Edwards – 201,358 Shares (representing approximately 0.3% of issued capital on Completion of the Offer), and 400,000 Options. Andrew Edwards is a Non-Executive Director. • Clifford Rosenberg – 200,000 Shares (representing approximately 0.3% of issued capital on Completion of the Offer) and 400,000 Options. Clifford Rosenberg is a Non-Executive Director. Directors are entitled to participate in the General Offer. Clifford Rosenberg has indicated that he intends to acquire the 200,000 Shares outlined above in the General Offer. If Directors participate beyond this, the relevant interests of the Directors will change and the extent of the change will depend on the number of Shares acquired. Final Directors' Share holdings will be notified to the ASX on listing. Directors may hold their interests in securities shown above directly, or indirectly through holdings by companies or trusts.	Section 4.3.2.7

1.5. Significant interests of key people and related party transactions

Question	Answer	For further information
What significant benefits and interests are payable to Directors and other persons connected with the issuer or the Offer?	The Company has agreed to remunerate Paul Chan, its Executive Director and CEO, through an employment agreement (with a salary of $350,000 per annum inclusive of superannuation). Paul Chan is also entitled to participate in Pureprofile's STI and LTI and will be granted an STI of up to $175,000 and 500,000 Options under these plans on Completion of the Offer. The Company has agreed to remunerate Geoffrey Nesbitt, its CFO and an Executive Director, through an employment agreement (with a salary of $250,000 per annum inclusive of superannuation). Geoffrey Nesbitt is also entitled to participate in Pureprofile's STI and LTI and will be granted an STI of up to $100,000 and 570,000 Options under these plans on Completion of the Offer). The Company has agreed to pay Fredrick Swaab, its Non-Executive Chairman, a director's fee of $100,000 inclusive of all taxes. The Non-Executive Directors, Andrew Edwards and Clifford Rosenberg, will be paid a director's fee of $70,000 per annum inclusive of all taxes. The Non-Executive Directors (including the Non-Executive Chairman) are also entitled to participate in Pureprofile's LTI and will be granted 400,000 Options each under this plan on Completion of the Offer. Paul Chan, Fredrick Swaab and Andrew Edwards and their associated entities were shareholders of Pureprofile prior to the Restructure. Under the Restructure, Paul Chan and his associated entities were issued 6,462,655 Shares, Fredrick Swaab and his associated entities were issued 5,773,849 Shares and Andrew Edwards was issued 201,358 Shares. Since the Restructure, Paul Chan and his associated entities have also purchased an additional 500,000 Shares from an unrelated shareholder that participated in the Restructure.] An entity associated with Fredrick Swaab has lent $300,000 to Pureprofile Australia Pty Limited. This entity and Pureprofile have agreed that $200,000 of the capital of this loan will be repaid by way of the issue of 400,000 Shares immediately prior to Completion of the Offer and the balance of the capital and any accrued interest paid will be repaid from the proceeds of the Offer. Fredrick Swaab is also Chairman of Partners of Swaab Attorneys. Swaab Attorneys have acted as Australian legal adviser to the Company in relation to the Sparc Acquisition and have provided other legal services to Pureprofile from time to time. Advisers and other service providers are entitled to fees for services.	Section 4.3.2
Are the Directors selling Shares into this Offer?	No.	

1.5. Significant interests of key people and related party transactions

Question	Answer	For further information
What is the Restructure?	In anticipation of listing, Pureprofile undertook a major restructure. Immediately prior to commencement of the Restructure, the head company of Pureprofile was a US company. It had a wholly-owned US subsidiary and a majority owned UK company. The UK company in turn had wholly-owned UK and Australian subsidiaries. Under the Restructure, the US head company acquired the minority interest in the UK company in exchange for an issue of shares in the US company, and the Company subsequently acquired all of the shares on issue in the US company in exchange for an issue of Shares. On completion of the Restructure, the Company became the head company of the Group and all Group members became wholly-owned by it. The Company was incorporated for the purpose of becoming the Australian parent entity of Pureprofile. The Company has not traded prior to the Restructure. The Restructure was completed in November 2014.	Section 9.6

1.6. Key Offer statistics

Question	Answer	For further information
What is the size of the Offer?	Under the General Offer the Company is offering 24,238,850 Shares in the Company at a subscription price of 50 cents per Share. The Company is also inviting all Eligible Employees to acquire 2,000 Shares each for no consideration payable to the Company through this Prospectus under the Employee Award Offer.	Section 8.1
How much is expected to be raised by the Offer?	The General Offer is expected to raise $12,119,425. $2,119,425 of this amount represents proceeds from the sale of Shares by SaleCo and will be paid to SaleCo. This amount, less costs of approximately $106,000 (exclusive of GST) agreed to be paid by SaleCo, will be passed on to some of the Existing Shareholders. The funds received for the sale of these Shares will not be paid to the Company. The balance, of $10,000,000 (before costs), represents proceeds from the issue of Shares by the Company and will be paid to the Company. No money will be raised by the Employee Award Offer.	Section 8.1
What will be the market capitalisation of the Company at the Offer Price?	The indicative market capitalisation of the Company will be approximately $29.0 million based on the 50 cent Offer Price.	Key Offer information

1.6. Key Offer statistics

Question	Answer	For further information
How does the Company intend to apply the money raised from the IPO?	The funds raised by the Offer and paid to the Company will be $10,000,000. The Company intends to use these funds as follows: • $3,000,000 for the Sparc Acquisition; • $4,000,000 for strategic growth initiatives, comprising publisher alliances (replicating the publisher alliance business model to other publishers), product development (enhancement of Pureprofile's proprietary technologies), international expansion (establishing a new office in New Zealand and growing existing operations in Europe, North America and Asia) and creating Profiles (by acquiring additional databases, sources and channels); • $1,500,000 for costs associated with this Offer, the Sparc Acquisition and the Restructure; and • $1,500,000 for working capital and the repayment of security deposits. The Company intends to use the funds raised from the Offer as described above over the next two years.	Section 8.1.2

1.7 Key terms and conditions of the Offer

Question	Answer	For further information
Will the Shares be listed?	Pureprofile has applied to the ASX for admission to the Official List of the ASX and quotation of Shares on the ASX under the code PPL. Completion of the Offer is conditional on the Sparc Acquisition completing and the ASX approving this application. If approval is not given within three months after such an application is made (or such longer period as may be permitted by ASIC), the Offer will be withdrawn and all Application Monies received will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act.	Key Offer information and Section 8.2
Who is the Lead Manager to the Offer?	The Company has appointed Blue Ocean Equities Pty Ltd as the Lead Manager to the Offer. The Lead Manager will receive a management fee of 1% (plus GST) and an underwriting fee of 4% (plus GST) of the Offer Price per Share on all of the Shares offered under the General Offer.	Sections 4.3.1 and 9.9
Is the Offer Underwritten?	The General Offer is fully underwritten by the Lead Manager. The Employee Award Offer is not underwritten.	Section 9.9
What is SaleCo and what is its involvement in the Offer?	SaleCo is an entity established to sell Shares acquired from some of the Existing Shareholders. The Shares which SaleCo acquires from the Existing Shareholders will be transferred to successful Applicants at the Offer Price.	Section 8.1.6

1.7 Key terms and conditions of the Offer

Question	Answer	For further information
Will any Shares be subject to escrow?	In accordance with the ASX Listing Rules, the Directors expect that ASX will classify approximately 12.1 million Shares held by the Existing Shareholders as restricted securities for a period of 24 months from the ASX Listing Date. However, depending on the position ASX takes, anywhere between zero and up to approximately 31.1 million Shares held by Existing Shareholders may be classified as restricted securities. These Shares will be subject to restrictions on trading. If ASX does not classify any Shares of the Existing Shareholders as restricted securities, Pureprofile will enter into voluntary escrow arrangements the Fredrick Swaab, Pilmore Pty Ltd (an entity associated with Fredrick Swaab) and Paul Chan in respect of all of their 11.3 million Shares held at the Prospectus Date for a period expiring on release by Pureprofile of its audited financial accounts for FY16. In addition, the Shares issued under the Employee Award Offer to each Eligible Employee will be restricted from transfer until the earlier of 3 years after the ASX Listing Date and the termination of employment of the Eligible Employee. No escrow will apply to Shares issued and transferred under the General Offer.	Section 8.1.5
How is the Offer structured?	The Offer comprises: • A General Offer; and • The Employee Award Offer.	Section 8.1.1
Am I eligible to participate in the Offer?	The General Offer is open to all investors who are residents of Australia. The Employee Award Offer is only open to Eligible Employees.	Section 8.1.1
What is the Employee Award Offer?	Under the Employee Award Offer Eligible Employees will be offered the opportunity to apply for 2,000 Shares each for no consideration payable to the Company.	Section 8.4
How can I apply?	Applications for Shares under the General Offer can only be made by completing the Application Form attached to this Prospectus. For the Employee Award Offer, a separate offer letter, together with access to this Prospectus, will be provided to Eligible Employees.	Sections 8.3 and 8.4
What is the minimum application amount under the Offer?	The minimum application size for the General Offer is $2,000 (4,000 Shares). The maximum application size for the Employee Award Offer is 2,000 Shares.	Section 8.2
What is the allocation policy?	The Board and Lead Manager will allocate Applications under the General Offer based on ensuring an appropriate Shareholder base for the Company going forward. All Applications made by Eligible Employees under the Employee Award Offer will be accepted.	Sections 8.3.4 and 8.4.4

1.7 Key terms and conditions of the Offer

Question	Answer	For further information
What are the taxation implications of investing in the Shares?	The taxation implications of investing in Shares will depend on each investor's individual circumstances. Applicants should seek their own tax advice prior to applying for Shares under the Offer.	Section 10.6
Is there any brokerage commission or stamp duty payable?	No brokerage commission or stamp duty is payable by an Applicant for acquisition of Shares under the Offer.	Section 8.2
When will I receive a Transaction Confirmation Statement?	Confirmation of successful Applications in the form of holding statements (for the Shares) are expected to be despatched by post on or around 24 July 2015.	Sections 8.2 and 8.5
Can the Offer be withdrawn?	Pureprofile and SaleCo reserve the right not to proceed with the Offer at any time. If the Offer does not proceed, Application Monies will be refunded. No interest will be paid on any Application Monies refunded as a result of the withdrawal of the Offer.	Section 8.7

1.8 Further information

Question	Answer	Section
Where can I obtain more information about this Prospectus or the Offer?	If you have any questions in relation to the Offer, please contact Pureprofile's Share Registry on 1300 737 760 (or +61 2 9290 9600 if calling from outside Australia) between 9.00am and 5.00pm (AEST) Monday to Friday. For investment advice, Applicants should contact a financial or other professional adviser.	

2. Company Overview

2. Company Overview

In February 2002, Pureprofile conducted its first commercial campaign for a large Australian brand based on the founding vision that centred around providing consumers with a web application, which enabled them to create and maintain their Profile in order to be matched with relevant business marketing messages and survey questions.

Pureprofile has been involved with the disruption of quantitative telephone research in the years after its launch and has continued to build features for both consumers and businesses delivered in the form of web and mobile applications and SaaS platforms.

Pureprofile sees significant opportunities in expanding its consumer proposition and technology through publisher alliances with innovative profiling techniques driven by consumer participation and permissions. Pureprofile believes that the consumer will be a major driver in innovative new marketing solutions that respect privacy and potentially improve efficiency in digital marketing and research.

Pureprofile has developed an innovative engagement model to allow digital publishers and broadcasters to offer consumers access to content in exchange for building their online Profile with the publisher. By completing short surveys, consumers build their Profiles and receive subscription credits or other rewards.

The following Section contains an overview of Pureprofile's business.

2.1 Business Model

The three key elements to Pureprofile's business model are:

- **Creating Profiles –** Pureprofile enables consumers to create and manage their online Profiles using its online platform. Consumers are incentivised to do this by earning rewards (which is funded by Pureprofile's market research and media clients)
- **Enriching Profiles –** Pureprofile then enriches these Profiles by combining membership details, surveys and research, sampling and tracking with a suite of big data applications. This allows Pureprofile to produce highly valuable Profiles, audience segmentation and market intelligence data, at competitive pricing.
- **Monetising Profiles –** Pureprofile then monetises access to these Profiles by global brands, publishers and advertisers. It does this in a number of ways, including:
  - providing **online market research** to global brands & advertisers;
  - through **licensing its profiling technology platform** to global media publishers who are then able to use it (and the Profiles it generates for them) to optimise yields from their websites and apps; and
  - through **media sales**, including programmatic buying and selling of ad inventory and performance marketing for advertisers and global brands

2.2 Global Clients

Pureprofile operates a global business with operations in Australia, Europe (UK and Poland), United States, India, Greece and soon, New Zealand.

Pureprofile's global client base includes major corporations, and their agencies and researchers across many sectors and multinationals such as News Limited, Disney, Audi and Toyota as well as major Australian groups such as NRMA, Commonwealth Bank and NSW Health.

Pureprofile has a diversified base of long term clients including:

- Market research companies – including Galaxy Research, Galkal, Lonergan Research and 5th Dimension;
- Media buying agencies, acting on behalf of major advertisers, such as OMD, UM, Mindshare and Carat;
- Public relations (PR) agencies and corporate (in-house) PR departments including Edelman and Ogilvy PR;
- Academic and applied research studies – The Institute For Choice (The University of South Australia) is a relevant client in this category;

- Universities and education providers – including Open Universities Australia and Bond University; and
- Other research panel providers – including Survey Sample International (SSI) and Lightspeed

Pureprofile also serves advertisers directly and via their agencies. These have included eHarmony, iSelect, Webjet, Bunnings, Citibank, Fairfax, Fitness First, Officeworks, Tiger Airways, Soccer Asia Cup 2015, RSPCA, Medibank, Specsavers, Foxtel, Viva Energy, Toyota and Scoot.

Pureprofile has low customer concentration with the largest customer in HY15 accounting for less than 5.2% of total pro forma revenue in that period.

2.3 Global Operations

Pureprofile will serve its global client base with approximately 120 staff (including contractors) based in Australia (Head Office), the UK (London), US (New York), India (Mumbai), Greece (Thessaloniki) and Poland (Krakow). Pureprofile intends to establish an office in New Zealand in the second quarter of FY16 to address demand from a major client in that market.

2.4 Global Profiles

Pureprofile's Profile database is similarly global. Pureprofile creates three categories of consumer Profiles:

2.4.1 Account Holder Profiles

Pureprofile has registered over 1 million Account Holders to date from over 40 countries.

Pureprofile attracts and engages Account Holders by offering them incentives for completing campaigns that include surveys and marketing-type interactions like visiting brand websites.

To earn incentives, Account Holders must build their Profiles by entering demographic and other consumer lifestyle information into the Pureprofile portal – the platform presents Account Holders with profiling questions such as shopping preferences, travel desires and insurance needs. The more information Pureprofile has about the Account Holder, the more surveys the Account Holder can potentially be matched to and the more rewards they can earn.

Pureprofile believes that the breadth and depth of information that is captured through these profiling questions provides it with possible competitive advantages.

2.4.2 Managed Profiles

Publishing clients such as News Limited license Pureprofile's technology platform and services to create managed Profiles. Managed Profiles are created by publisher's readers/audience and members who are incentivised to build their Profile in return for free subscriptions, or other rewards.

These managed profiles are then enriched using machine learning processes and algorithms and segmented into highly qualified audience groups. Such audiences are highly attractive to advertisers who are willing to pay the publisher higher advertising rates and buy more ad inventory.

While these machine learning processes are provided largely by third party services, Pureprofile continuously invests in further developing its proprietary profiling and technology capabilities.

2.4.3 Unclaimed Profiles

Unclaimed Profiles are created as consumers visit web sites and cookies are placed in their browser. These cookies can build a Profile of the browser as they move across the Internet, building the browser's Profile each time they visit or interact with a website that has advertising and/or widgets served by Pureprofile. The Profiles are 'unclaimed' because the consumer does not typically have a direct relationship with the party building the Profile. In time, Pureprofile intends to make Unclaimed Profiles transparent to the user, with the ability to claim them via the Pureprofile registration process.

2.5 Online Market Research

Pureprofile is a leading online market research provider in Australia. Its Profiles of Australian and global consumers can be segmented into highly defined groups and invited to participate in surveys, polls and other research activities requested by other research organisations, brands/advertisers and media agencies.

Pureprofile's overarching objective as an online market research provider is to connect consumers, who like to provide their feedback and earn rewards, with leading brands, media agencies, academic institutions and researchers who want to both understand consumer behaviour and engage with their existing and prospective customers. In FY14, Pureprofile conducted over 3,000 research projects for approximately 300 clients.

Pureprofile earns revenue from online market research by charging research clients for access to its platform for set-up and support services and for survey responses. A proportion of the survey response fee is passed onto participating Pureprofile Account Holders.

2.6 Profiling Platform Licensing – and the News Limited "Connect" program

In 2010, Pureprofile launched the Pureprofile SaaS Platform utilising its proprietary profiling technology.

In January 2015, Pureprofile entered into a two-year licensing and support agreement with News Limited for News Limited to use the Pureprofile SaaS Platform. Under this agreement, Pureprofile has partnered with and helped News Limited launch its new "Connect" service. Connect offers selected readers of a number of News Limited's online publications the opportunity to earn subscription credits in return for building their Profiles.

Pureprofile sees significant opportunity to offer the Pureprofile SaaS Platform to other large publishers looking to extract further value in the form of Profiles to potentially increase advertising yield and to improve user experience via personalisation. Pureprofile is currently in discussions with several content publishers and membership based rewards organisations and intends to invest further to accelerate and increase the target market for these opportunities globally.

Under its agreement with News Limited, Pureprofile may not provide the service to other major online publishers in Australia (subject to certain exceptions) however may provide it to organisations in other industries and globally.

Pureprofile earns a fixed monthly fee for licensing the platform (SaaS fee) in addition to platform setup and customisation. Revenue share is also earned from surveys and other activities completed by the publisher's members (audience) on the platform.

2.7 Programmatic Trading Capability

Through the Sparc Acquisition, Pureprofile will acquire an established digital media group specialising in programmatic media trading across display, rich media, video, mobile and social channels.

The Sparc Acquisition will bring Pureprofile four core capabilities:

- **Managed Campaign Services –** Sparc provides managed programmatic campaign services across display, rich media, video, mobile and social channels for ad agencies and advertisers;
- **Media Trading –** Sparc's media traders use their programmatic expertise, experience and technology to profit from inefficiencies in the markets for display ad inventory. Sparc identifies and buys undervalued ad inventory – and then, within milliseconds, Sparc resells it at higher prices through ad exchanges across a variety of global markets;
- **Performance Marketing –** Sparc manages end-to-end marketing campaigns for universities and education providers generating leads for student enrolments using paid social media, display advertising and search. The business, trading as 'Future Students', provides a wide range of digital media services including digital strategy, multi-channel media buying, conversion optimisation and creative development; and
- **AdSparc –** is a new business established in late 2014 to capitalise on the rapid growth in demand for non-standard ads (native, rich media, high impact formats) purchased through programmatic real-time bidding. AdSparc works with website publishers to optimise yield and is developing a marketplace for the building, buying and selling of non-standard display advertising.

Initially, Sparc will continue to operate under its own brand, substantially as a standalone business. From 2H16 onwards, Pureprofile and Sparc plan to jointly:

- Offer the Pureprofile Platform profiling services to Sparc's publisher clients seeking to optimise yields;
- Develop and launch the AdSparc self-service marketplace for non-standard ads and integrate it into the Pureprofile platform;
- Develop and launch targeted managed programmatic services based on the Pureprofile Platform profiling capabilities and Sparc's deep understanding of the programmatic ecosystem;
- Develop Profiles through the programmatic ad trading process;
- Cross-promote each other's complementary services;

2.8 Pureprofile and Sparc – Targeted Programmatic

Capitalising on the Sparc Acquisition, Pureprofile plans to offer Profile enriched programmatic services (**Targeted Programmatic**) to agencies, advertisers and publishers. Targeted Programmatic combines Pureprofile's rich first-party Profile data, audience segmentation and insights with Sparc's programmatic expertise to provide clients with highly qualified audiences and quantitative insights for their ad campaigns. This has the potential to generate higher response rates and improved campaign optimisation through quantitative insights for advertisers and with the possibility to sell more ad inventory at higher prices for publishers and display more relevant, engaging ads and content to consumers.

2.9 Acquisition Strategy

Pureprofile intends to consider acquisitions that are consistent with its current focus as a marketing technology company that creates, enriches and monetises (i.e. generates value for consumers and businesses from) consumer online Profiles. Targets of most interest will therefore be:

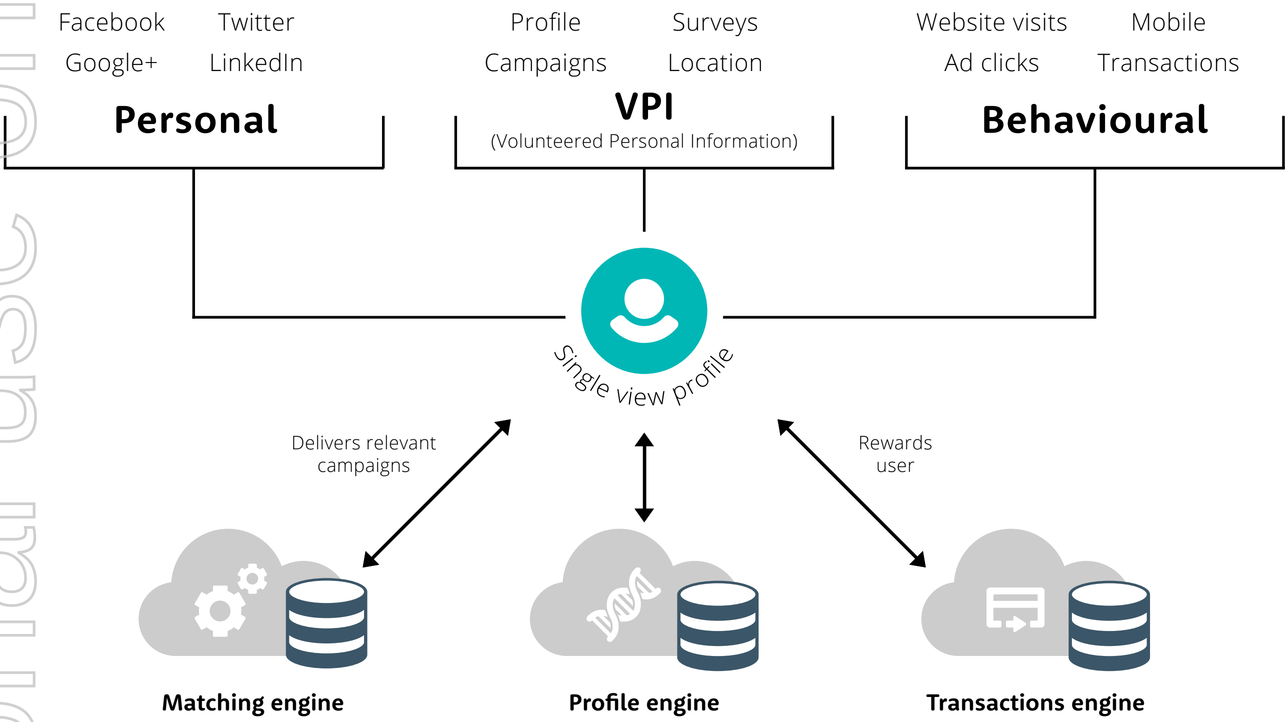
- creating Profiles – targets that add to or complement Pureprofile's consumer Profile base (such as relevant online sites with a large audience or member base);
- enrich Profiles – targets that enhance Pureprofile's ability to enrich consumer Profiles (such as big data analytics or profile-centric businesses);
- monetise Profiles – targets that accelerate Pureprofile's monetisation of these Profiles (such as Sparc).

Pureprofile has no interest in pursuing a strategy of rolling up disparate advertising or marketing technology and digital media companies. All acquisitions must be strategically aligned and capable of being fully integrated into Pureprofile.

2.10 Technology

When Pureprofile was established in 2000, online display advertising was in its infancy. Pureprofile believes that its concept of enabling people to create their online Profiles to facilitate online market research was disruptive and materially ahead of its time.

Technology Platform



☑ Proprietary ☑ Scalable ☑ SaaS ☑ Cloud-based ☑ Programmatic ☑ Big data ☑ 14-year legacy

Pureprofile's Platforms (used for its direct business and publisher alliances) are purely cloud computing platforms offered as Software as a Service (SaaS).

The Platform is a large, interconnected set of technologies that work together in order to provide solutions for both Account Holders and businesses.

Pureprofile believes that constant investment in its Platform is required in order to maintain and improve its operations and client appeal.

2.11 Key suppliers

Pureprofile's programmatic trading business is reliant upon a limited number of ad exchanges which are typically US based. Currently the largest ad exchange supplier accounts for approximately 14% of Pureprofile's HY15 pro forma revenue. For more information about this supplier refer to Section 9.8. For more information about risks associated with these suppliers refer to Section 7.1.20(b).

The remainder of Pureprofile's business is not highly dependent upon any one supplier.

2.12 Company History

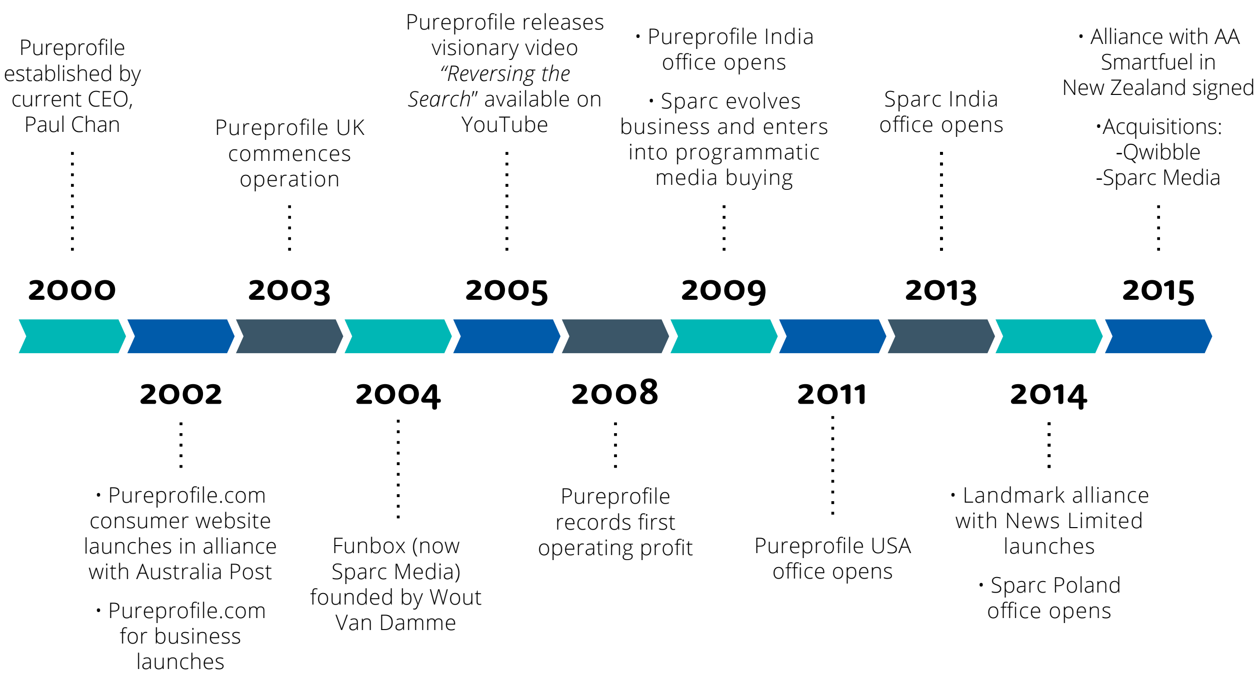
Pureprofile was established in 2000 by current CEO, Paul Chan, In 2002, Pureprofile launched its platform and profiling technology. Pureprofile has to date registered over 1 million consumers and recorded its first operating profit.

In 2014, Pureprofile undertook a major restructure. Immediately prior to commencement of the Restructure, the head company of Pureprofile was a US company. It had a wholly-owned US subsidiary and a majority owned UK company. The UK company in turn had wholly-owned UK and Australian subsidiaries. The Restructure resulted in the Company becoming the head company of the Group and all Pureprofile subsidiaries being wholly-owned.

In 2015, Pureprofile signed a landmark publisher partnering agreement with News Limited providing News with an ongoing licence to use Pureprofile's SaaS platform technology and services. This has allowed News Limited to build and launch its new Connect service across a number of its Australian metro mastheads. For more information see Section 9.1.

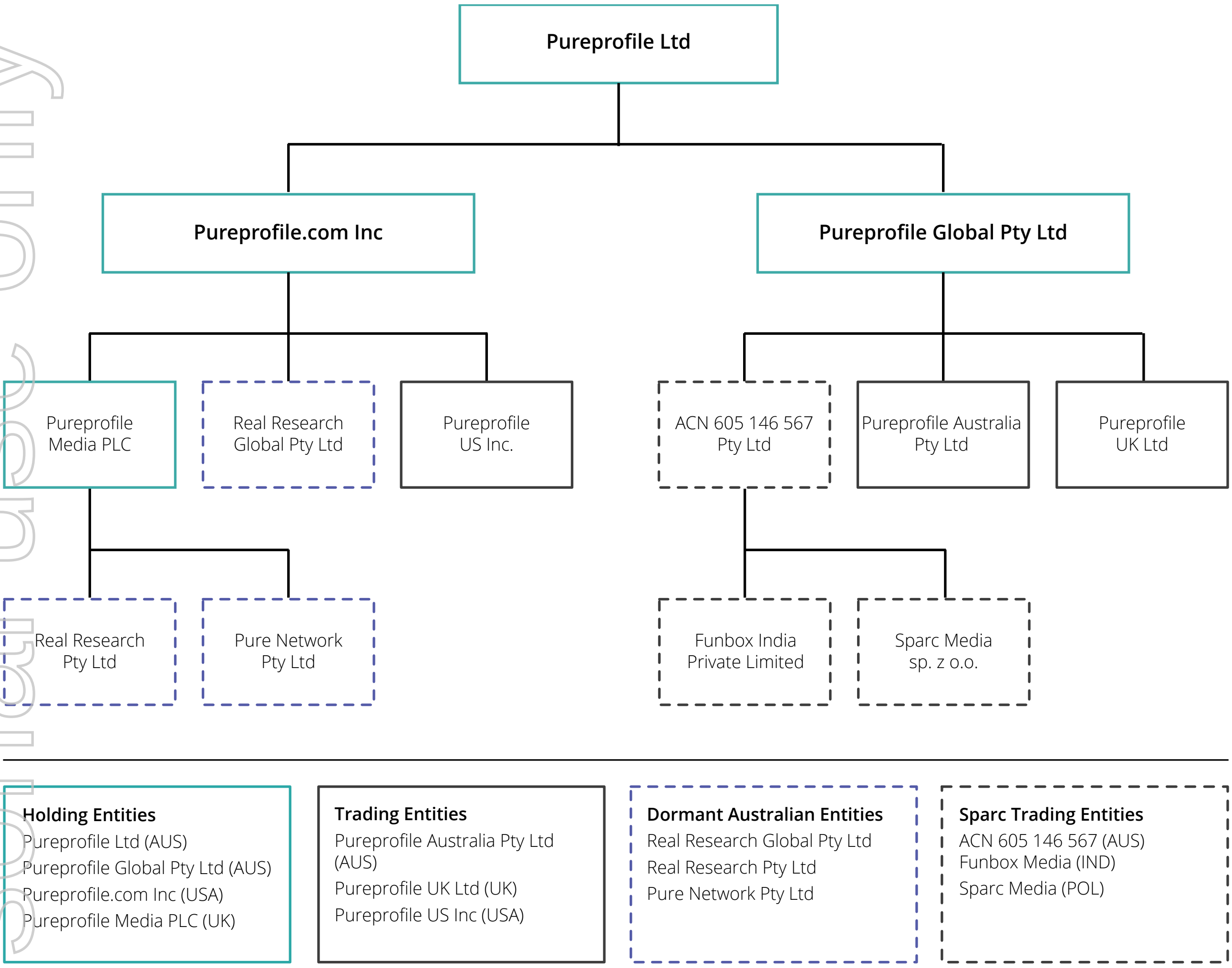
In 2015 Pureprofile entered into an agreement to acquire Sparc Media Group (Sparc) to accelerate its entry into media sales. Sparc is an established, digital media business focused on programmatic media trading and performance marketing. Sparc will be acquired shortly prior to Completion of the Offer for a combination of cash and Shares with the total price (inclusive of the value of Shares) capped at $6.6m. For more information see Section 9.7.

Most recently, Pureprofile signed an agreement with AA Smartfuel Limited (New Zealand) to recruit AA Smartfuel members to its website and establish its online market research and marketing products in the New Zealand market. Under the agreement with AA Smartfuel Limited, a New Zealand office will be established and it is expected to be operational in the second quarter of FY16. For more information see Section 9.2.



2.13 Corporate structure

The following diagram sets out the corporate structure of Pureprofile.



The Sparc Acquisition brings Pureprofile several potential synergies, including:

- offering advertisers and their agencies (via Sparc's salestrading teams) highly targeted programmatic advertising campaigns across display, rich media, mobile, video and social channels in key global markets;
- offering publishers programmatic campaigns by using Pureprofile's profiling technology and data to optimise yields; and
- creating additional Profiles (Account Holder Profiles and unclaimed Profiles) at low cost (using Sparc's surplus ad inventory and through Sparc's programmatic campaigns)

2.14 Intellectual Property

Pureprofile has a patent that relates to its profiling system (patented as the "system for the permission-based communication and exchange of information"). This patent has been registered in Australia (IP Australia patent number 2003247258 expiring on 19 February 2023), New Zealand, Singapore, Israel and South Africa.

Other intellectual property lies in the underlying systems, processes and software of the Platform, trade secrets and copyrights. Pureprofile takes appropriate measures with its clients and employees to safeguard this intellectual property.

2.15 Growth Opportunities

Pureprofile plans to expand its business through:

- **Publisher alliances –** extending the publisher alliance model to other publishers and generating annual licensing fees and revenue share.
- **Product development –** investment in enhancing Pureprofile's proprietary technologies, including machine learning capabilities, automation of Sparc's media trading business and development of its sell-side programmatic platform, optimisation of the consumer website, and the development of additional apps and widgets, which support and extend the Pureprofile SaaS Platform.
- **International expansion –** grow existing businesses in Europe, Asia, North America and open a New Zealand office to support the new platform licensing deal with AA Smartfuel.
- **Creating, enriching and monetising Profiles –** incorporating Profile data in managed campaigns; using profiling to increase effectiveness of Pureprofile's performance marketing business.

2.16 Proven Management Team

Pureprofile and Sparc have been built by their founders over the past 15 and 11 years respectively. In this time, the businesses have developed specialised teams who have a deep understanding of their markets, clients and technology.

The management team also have a track record of innovation and an ability to evolve and maintain complex technology platforms in dynamic, fast-evolving markets.

3. Industry Overview

3. Industry Overview

Pureprofile operates in the market research, online marketing and programmatic media trading markets. This Section describes those markets.

3.1 Market research

The Australian market research industry generates annual revenue of approximately A$700 million. This gives Australia the mantle of the 10th largest market globally.[1]

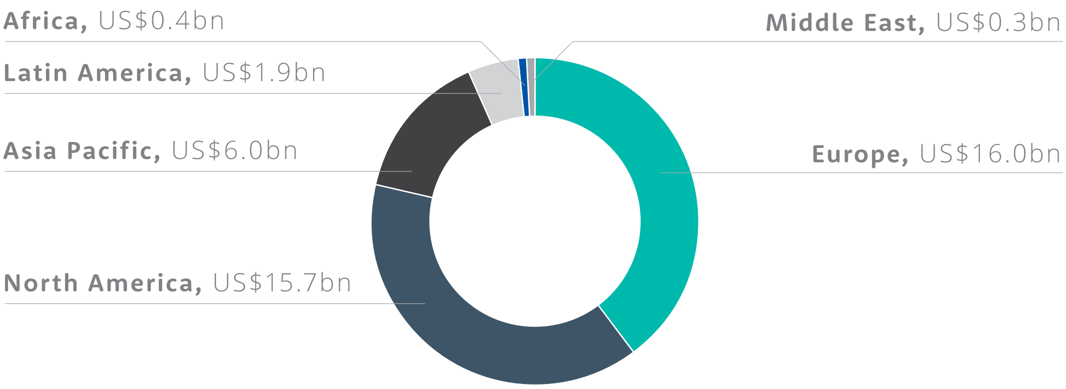
Some key features of the Australian market are:

- Market research conducted through online delivery methods accounts for over a third of total revenue.
- Approximately one sixth of total revenue of the market is derived from the provision of panels (both online and offline).
- Market research spend in Australia is materially lower than in the UK or the USA – both per capita (at around US$30 per capita in Australia) and as a proportion of overall ad market spend.[2]

The global market research industry generates approximately US$40 billion by revenue, of which the US has recently been the fastest growing market.[3]

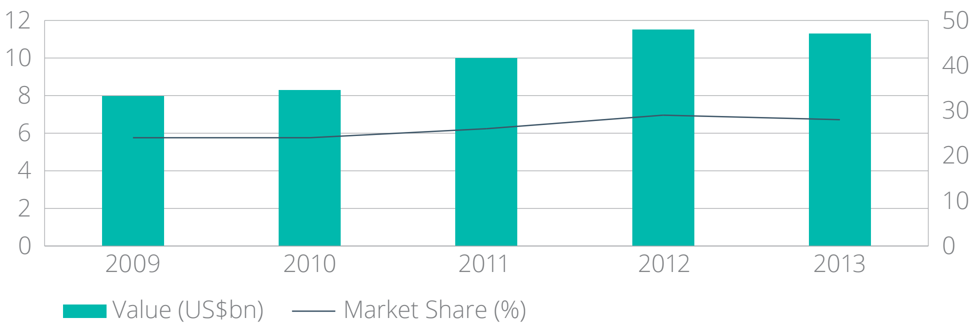
Global revenue can be broken down by regions as follows:

Breakdown of total global market research spend (US$) in 2013[4]



1. ESOMAR's Global Market Research Report 2014, pages 104-107.
2. ESOMAR's Global Market Research Report 2014, pages 104-107.
3. ESOMAR's Global Market Research Report 2014, page 6.
4. ESOMAR's Global Market Research Report 2014, page 6.

Several themes are evolving across the market research industry in Australia and globally.

Shift towards online and mobile-centric research methods	With the rapid increase of internet and mobile penetration, traditional methods of research are being replaced with online and mobile methods including the adoption of web and mobile surveys, online communities and mobile, social media listening among others.
Growth in the use of social networking and consumer-generated (a.k.a. big) data analytics	The growth in social media is a material issue for brands. Comments made by consumers about clients' brands are becoming even more important for managing brand reputation.
Demand for increasingly sophisticated market research	The shift to online and mobile social and other media inevitably demands sophisticated market research that can measure and analyse this media. Clients increasingly demand research that is able to assess consumer activity across different channels (for example, on different online devices and on mobile) – this is one of Pureprofile's strengths.
Growth in online market research as a share of the total ad market research spend market	Online market research represents a significant percentage of total global market research spend and it has risen from 24% in calendar year 2009 to 29% in calendar year 2012 and 28% in calendar year 2013 as illustrated in the chart below.[5] **Global online research spend (and as a % of total market research spend)** 

Pureprofile is a direct beneficiary of the above trends.

Competitors

The nature of Pureprofile's market research competitors varies widely, reflecting the diverse online marketing industry in which it operates. The table below sets out the key competitive themes in Pureprofile's markets. Australian competitors have been highlighted reflecting the importance of Pureprofile's home market.

5. ESOMAR's Global Market Research Report 2014, page 18.

Industry Segment	Key Competitors	Competitive environment
Market research	**Global Players** • Nielsen • WPP's Kantar division **Australian Players** • Roy Morgan Research • Colmar Brunton and AMR Interactive (part of STW Group) • The Leading Edge and Jigsaw Research (part of Enero Group)	• These competitors rely on research teams using predominantly survey-based research methodologies to capture data from groups/samples of respondents. • These large global firms face significant challenges augmenting their traditional business models with methodological and technological advancements in data collection. • These competitors may commission work from Pureprofile when advanced technological data collection methods are required.
Lower cost self-survey offerings	• Survey Monkey (US-based, part owned by Google) • Google Consumer Surveys • AYTM.com	• These platforms enable businesses to access market feedback directly. • Not suitable for more complex research requirements.
Online Market Research Panels	**Global Players** • WPP's Lightspeed Research **Australian Players** • DPG's Empowered Communications • Research Now's Valued Opinions • Roy Morgan Research • Cohort Digital • Rewards Central • Australia Online Research	• Highly competitive environment resulting in decreased prices and margins. • Facing challenges engaging with their member bases due to the increased volumes of online market research surveys which has initiated: – A decline in prices; – Paying members less in order to maintain margins leading to member churn increasing; – Feasibility falling due to lower response rates.

3.2 Online Marketing

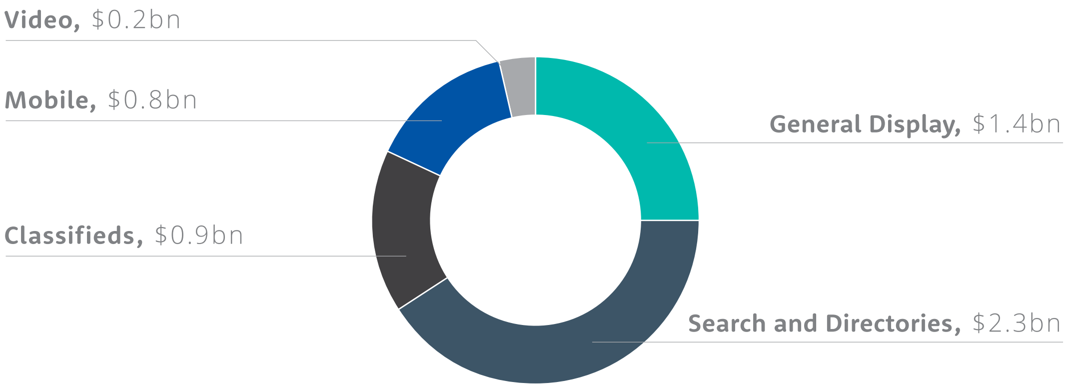
More broadly, Pureprofile operates within the huge, rapidly growing, global market for online marketing.

In Australia, the Australian online advertising market grew in excess of 10%in 2013,[6] and is now approximately a A$5 billion market[7] – accounting for more than a quarter of total Australian advertising expenditure.[8]

Over the same period, overall Australian advertising expenditure in all media grew by 2% or less,[9] illustrating the shift towards online advertising.

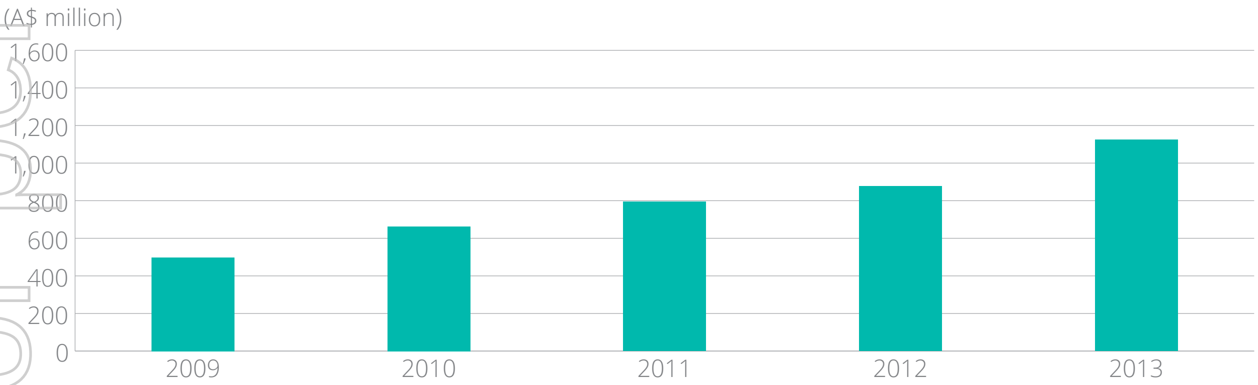
Online marketing spend is spread across several sectors, as illustrated below for the Australian market:[10]

Breakdown Of Online Advertising Spend By Sector In Australia (A$)



General display digital advertising expenditure (which excludes, for example, search) is perhaps the most relevant subset of this advertising expenditure for Pureprofile. Growth in this expenditure in Australia is illustrated below.[11]

General Display Digital Advertising expenditure in the Australian market



6. Frost & Sullivan, 15 January 2014 – http://www.frost.com/prod/servlet/press-release.pag?docid=288676260
7. PricewaterhouseCoopers IAB Report December 2014.
8. Frost & Sullivan, 15 January 2014 – http://www.frost.com/prod/servlet/press-release.pag?docid=288676260
9. Frost & Sullivan, 15 January 2014 – http://www.frost.com/prod/servlet/press-release.pag?docid=288676260
10. IAB Australia, 26 February 2015 – http://www.iabaustralia.com.au/news-and-updates/iab-press-releases/item/1852-mobile-and-video-advertising-continue-to-surge-according-to-iab-online-advertising-expenditure-report
11. PricewaterhouseCoopers, IAB Online Advertising Expenditure Report – 30 September 2014, p19.

Globally, the online advertising market is growing at a correspondingly rapid rate. Pureprofile expects online advertising spend to increase from around US$140 billion in 2014 to more than US$200 billion in 2018.[12,13] In the US, it further expects online advertising spend to pass television advertising spend in 2018.[14,15]

Key trends in the advertising market in Australia and globally include:

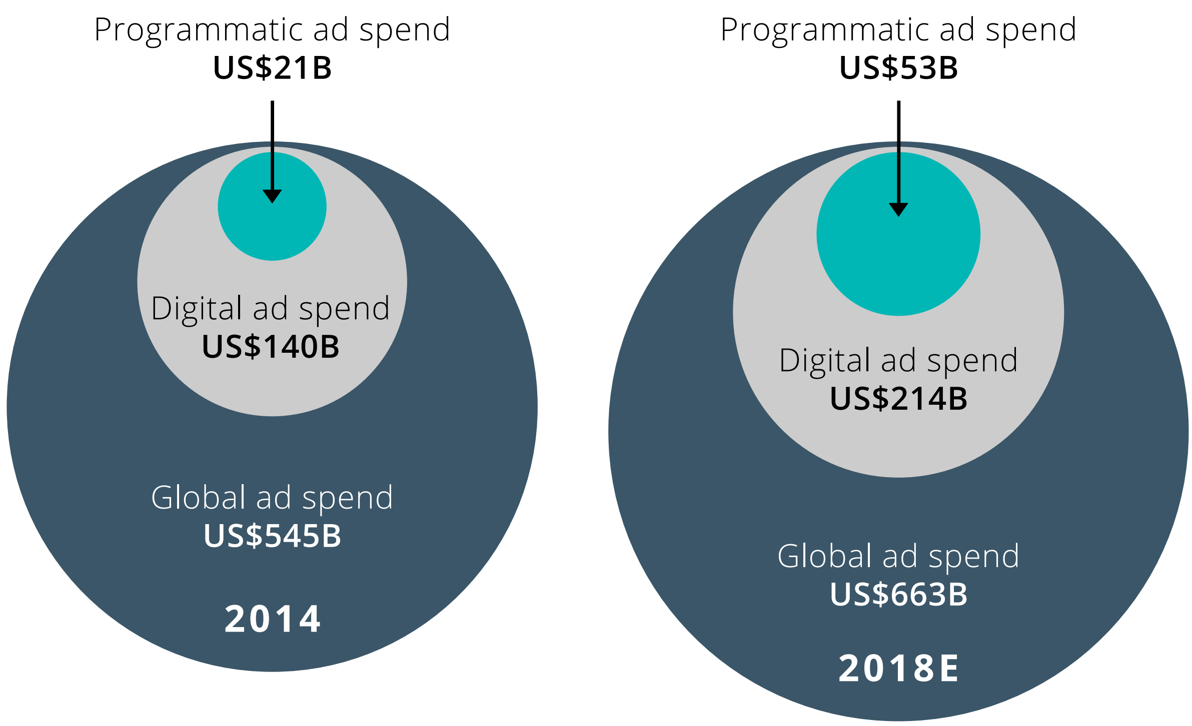
- One-to-one marketing

  One aspiration of online advertising is for brands to be able to have a direct conversation with the consumer. This enables brands advertisers to understand the impact of their brands and to provide a highly relevant consumer proposition.

  Pureprofile's core proposition is that it allows the advertiser to ask a direct question and create a direct dialogue with the consumer who is a willing participant in the Profile process.

- Cross-screen advertising

  Consumers are increasingly consuming media across multiple screens (for example, across mobile, TV and tablet devices, sometimes simultaneously). Advertising platforms that have the ability to operate across all devices and assess consumers on those devices will have a material advantage.



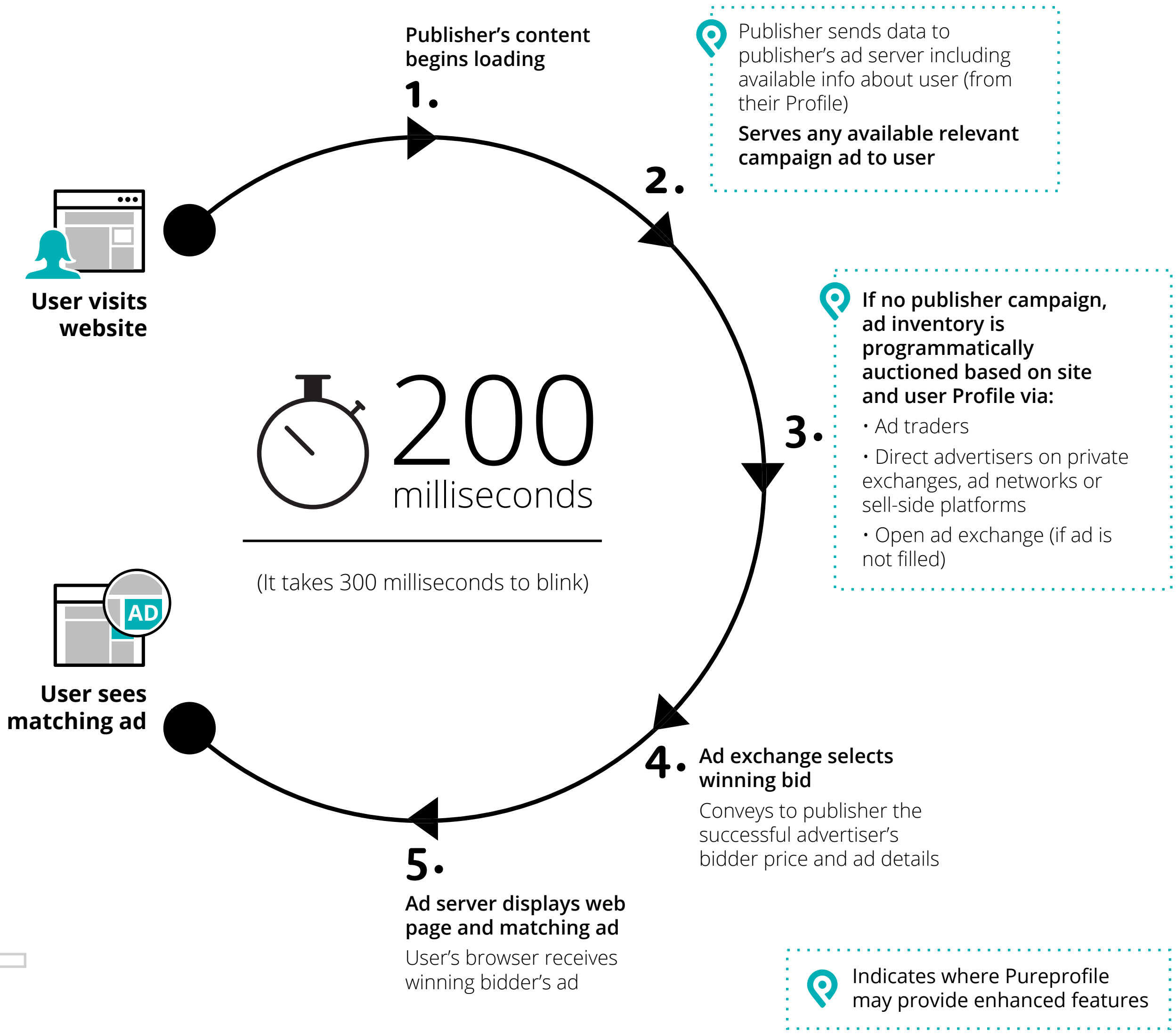
12. This is not intended to be a forecast or guarantee of sales. It is merely an indication of expectation of growth in the market. The Company does not make any representation regarding what portion of this market it will be able to obtain. There can be no guarantee that the Company will increase its portion of the market or revenues.
13. eMarketer April 3, 2014 – http://www.emarketer.com/Article/Digital-Ad-Spending-Worldwide-Hit-3613753-Billion-2014/1010736
14. This is not intended to be a forecast or guarantee of sales. It is merely an indication of expectation of growth in the market. The Company does not make any representation regarding what portion of this market it will be able to obtain. There can be no guarantee that the Company will increase its portion of the market or revenues.
15. Magna Global December 08, 2014 – http://news.magnaglobal.com/article_display.cfm?article_id=1578

3.3 Programmatic Media Trading

Through the Sparc Acquisition, Pureprofile will also become exposed to the global programmatic media trading market.

Programmatic trading is the automated buying and selling of digital advertising. Advertisers are able to purchase ads directly through programmatic marketplaces or indirectly by media buyers or by third parties.

The life cycle of a programmatic ad



Again, Pureprofile expects the programmatic media trading market to grow strongly, driven by opportunities to reduce transaction costs for both advertisers and publishers; to monetise a wider range of digital media impressions; and to leverage consumer data at scale to improve the efficiency of ad campaigns.

Brand advertisers are increasingly shifting their digital media spend towards programmatic advertising. For example, Procter & Gamble revealed in 2014 that a full 70 percent of its digital media spend would be moved to programmatic by the end of 2014 and the same trend is being seen at other major brands.[16]

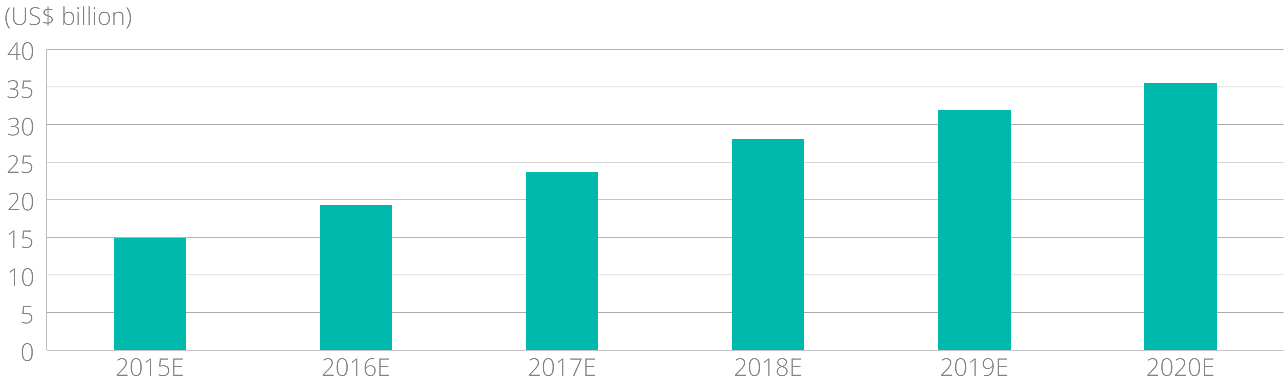
Global programmatic spend exceeded US$20 billion in 2014. In the four years between 2014 and 2018,

16. AdAge, June 4, 2014 – http://adage.com/article/digital/procter-gamble-buy-70-digital-ads-programmatically/293553/

Pureprofile expects it to grow by more than 25% per year reaching more than US$50 billion by 2018.[17,18]

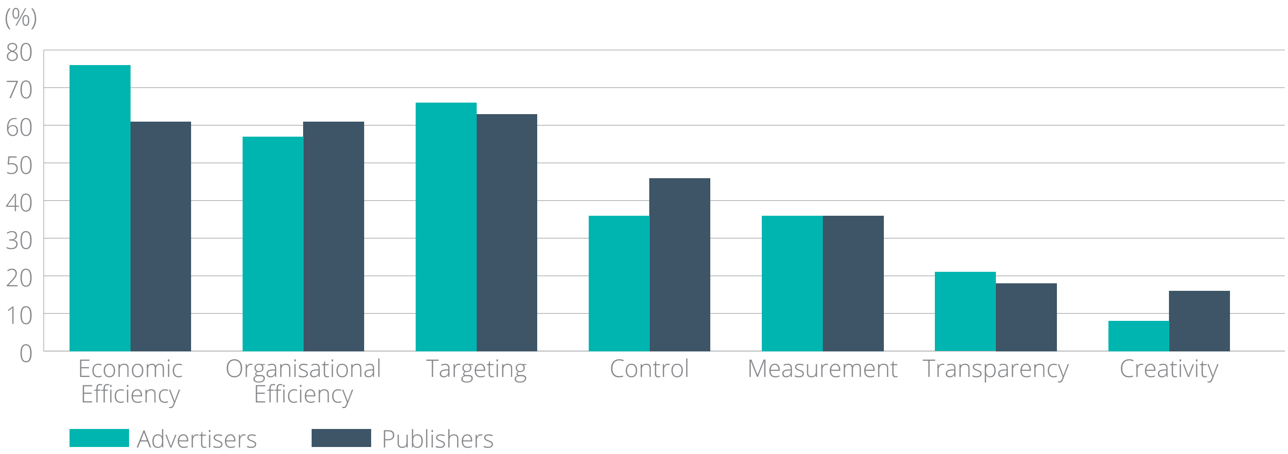
The growth in the US market expected by Pureprofile as shown in the following chart illustrates this strong and continuing growth in programmatic trading.[19]

US Programmatic Advertising Revenue[20]



An AOL survey of 175 US advertisers and publishers ranked economic efficiency and targeting as the top two benefits of programmatic.

Top Benefits of Programmatic[21]



17. This is not intended to be a forecast or guarantee of sales. It is merely an indication of expectation of growth in the market. The Company does not make any representation regarding what portion of this market it will be able to obtain. There can be no guarantee that the Company will increase its portion of the market or revenues.
18. Magna Global's New Programmatic Forecasts, September 29, 2014 – http://news.magnaglobal.com/article_display.cfm?article_id=1657
19. This is not intended to be a forecast or guarantee of sales. It is merely an indication of expectation of growth in the market. The Company does not make any representation regarding what portion of this market it will be able to obtain. There can be no guarantee that the Company will increase its portion of the market or revenues.
20. BI Intelligence, The Programmatic-Advertising Report: Mobile, video, and real-time bidding drive growth in programmatic, March 2015, p2.
21. BI Intelligence, The Programmatic-Advertising Report: Mobile, video, and real-time bidding drive growth in programmatic, March 2015, p8.

Competition

Competition is reflected in a number of global and local players including:

Industry Segment	Key Competitors	Comment
Demand-side competitors	Global trading desks: • Xaxis • Accuen • Affiperf • Amnet • Cadreon Australian players • Bench Marketing • Adslot • Yango • Bidr	• These competitors compete with Sparc's programmatic media buying service directly but are potentially also customers.
Supply-side competitors	SSPs (Sell Side Platforms) • Rubicon • Pubmatic	• These competitors compete with AdSparc, Sparc's supply side desk and programmatic trading platform
Performance media side competitors	Cohort APD Group iCumulus Mediata TPN	• These performance marketing groups provide a similar service to Sparc's Future Students lead-generation platform
Targeted Programmatic	Rocketfuel RadiumOne Gravity4.com	• These players use big data for targeting of programmatic campaigns. This is consistent with Pureprofile's targeted programmatic strategy.

Pureprofile endeavours to differentiate itself through:

- leveraging its profiling expertise, technology and data to provide targeted programmatic trading;
- being able to provide an end-to-end programmatic service for advertisers and publishers; and
- its ability to offer a platform with direct relationships with consumers in 45 countries.

Key trends in the programmatic trading market in Australia and globally include:

- Native advertising

  Advertisers are increasingly seeking to deliver advertising that reflects and resembles the content of the media being delivered to the consumer. In the past this has been achieved only non-programmatically through embedded advertising but in the future this advertising will also be delivered in a programmatic way.

- Integrated cloud solutions

  Pureprofile believes that the combination of it and Sparc place the Group at the forefront of a trend that is seen also in one or two larger players like Gravity4 who are seeking to deliver an ad platform that is both highly personalised and high frequency – which can only be achieved through an integrated cloud solution.

- Automation of TV

  Television advertising is expected to become more personalised and automated with programmers buying ads online. The next generation of advertising platforms may see synchronised advertising across TV and tablets (so that consumers watching media across multiple devices receive the same or a consistent advertising message across those devices at the same time).

Pureprofile believes that having a product offering that will be able to deliver personalised advertising and high frequency advertising across multiple devices will put Pureprofile in a strong position to be a driver and beneficiary of these trends.

4. Key People, Interests and Benefits

4. Key People, Interests and Benefits

4.1 Board of Directors

The Board has a broad range of experience in the areas of market research, online advertising and marketing, technology and data management. The following Section provides information regarding the Directors, including their positions:

Directors	Position	Independence[1]
Fredrick Swaab[2]	Non-Executive Chairman	Non-Independent
Paul Chan[2,3]	Managing Director & Chief Executive Officer	Non-Independent
Geoffrey Nesbitt[3]	Executive Director & Chief Financial Officer	Non-Independent
Andrew Edwards	Non-Executive Director	Independent
Clifford Rosenberg	Non-Executive Director	Independent

1. The Company considers that a Director is an independent Director where that Director is not a member of Pureprofile's management and is free from any business or other relationship that could materially interfere, or be perceived to interfere with, the independent exercise of the Director's judgement.

   The Company has also assessed the independence of its Directors having regard to the requirements for independence, which are set out in Principle 2 of the ASX Corporate Governance Principles.
2. Fredrick Swaab, and Paul Chan are not considered to be independent Directors as they are (and will on completion of the Offer remain) substantial shareholders of Pureprofile.
3. Paul Chan and Geoffrey Nesbitt are not considered to be independent Directors as they are (and will on completion of the Offer remain) executives of Pureprofile.

Fredrick Swaab
(Non-Executive Chairman)

Fred has been the Chairman of Pureprofile since its inception in 2000 and has played a key role in guiding Pureprofile's strategy, planning and management. He has been closely involved in raising capital, investor and business relations, and driving Pureprofile's global expansion.

An experienced lawyer and businessman, Fred is also Chairman of Partners at Swaab Attorneys, a Sydney-based law firm specialising in corporate and commercial law with a special interest in venture capital and private equity initiatives, both from investor and investee perspectives. His vision and strategy have led Swaab Attorneys to be recognised as one of Sydney's leading commercial law firms.

Fred has acted on many public and private fundraisings, business mergers and acquisitions, including initial public offerings and other projects in the commercial, industrial and digital sectors, as well as for sophisticated investment trusts.

Throughout his professional life, Fred has been a director of a variety of public and private companies, university foundations, sporting clubs and business associations. He acts as legal counsel to many public and private corporations and as personal adviser to directors of not-for-profits, government executives and senior corporate managers.

Fred holds a Bachelor of Arts from University of New South Wales and Bachelor of Laws from the University of Sydney. He is a member of the NSW Law Society and International Bar Association and is a Fellow of the Australian Institute of Company Directors. In addition to this, he also has the following qualifications and memberships:

- International Corporate Governance Network
- The Business Law Section (BLS) of the Law Council of Australia
- City of Sydney Law Society
- Law Council of Australia
- Commercial Law Association of Australia
- Admitted to practice in the High Court of Australia (our superior Court)

Fred has also held the following positions:

- UXC Ltd (ASX Listed) Former Board member 10 years also Chair of Remuneration and Audit committees
- President of the Melanoma Foundation of the University of Sydney Australia (ongoing)
- Bondi Icebergs Club, famous for winter swimming, former Board Member and Life Member

Paul Chan

(Executive Director & Chief Executive Officer)

Paul founded Pureprofile in 2000, after coming up with the idea for the business while working on a startup in Sydney, Los Angeles and Silicon Valley during the dotcom boom of the late 90s. His vision centred around the value of an individual's unique Profile and the rich data within it having value. He wanted to provide a service to enable consumers to unlock this value and allow brands to pay people for their time, attention and the information they share through their Profiles. He has held the position of Executive Director and CEO since Pureprofile's inception and is focused on driving product innovation and profiling technologies, while defining the business vision and strategy.

Since setting up Pureprofile, Paul has been instrumental in product development, technology development, business development and raising capital for Pureprofile. He has also turned Pureprofile into a global business, spending time both in the US and UK to establish new teams in each country, and setting up a successful Mumbai office.

He has extensive expertise in developing the Pureprofile online suite of applications including user experience, database and profile architectures, which have driven the many upgrades of the Pureprofile platform.

Prior to Pureprofile, Paul began his career when he was a 19-year-old student working for the developers of one of the first industrial to residential waterfront development conversions in Mortlake on Parramatta River, called Green Point. When he was 22, he set up his own real estate company, Paul Chan & Associates, while he was still studying his undergraduate degree. The business operated under Paul's own real estate licence and specialised in commercial and retail leasing and property management. He then became the real estate licensee in charge of Country State Property Services, working on the Citivilla project in the Sydney CBD – a luxury hotel managed investment opportunity.

These early entrepreneurial endeavours paved the way for Paul's involvement in an online property start-up, during which time he was involved in the innovation and product development process, financial modelling and made several investor presentations in the US.

Paul holds a Bachelor of Land Economics from the University of Technology, Sydney.

Paul has been a member of the Sydney Chapter of the Entrepreneurs Organisation, since 2008.

Geoffrey Nesbitt

(Executive Director & Chief Financial Officer)

Geoffrey Nesbitt was appointed as Chief Financial Officer of Pureprofile in September 2014 and oversees all aspects of the Pureprofile's financial operations, including working capital, capital expenditures, debt levels, taxes, budgets and general accounting.

He has extensive experience across the marketing and digital communications and recruitment sectors, having held senior roles in both private and public companies.

During his career, Geoffrey has managed an extensive list of M&A transactions across the Asia-Pacific region, US and UK. He also played an integral role in the initial public offer during his time as CFO of Enero Group Limited (EGG) (formerly Photon Group Limited) in 2004.

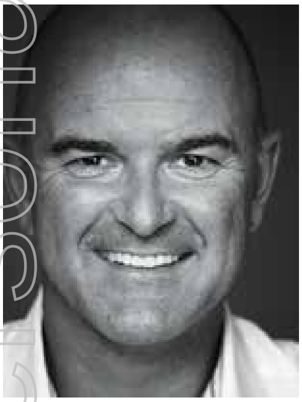
Geoffrey holds a Bachelor of Business degree in Accounting from Southern Cross University (formerly University of New England, Northern Rivers) and is a member of CPA Australia.

Clifford Rosenberg
(Non-executive Director)

Cliff Rosenberg worked at companies driving innovation and change in the digital space for more than 20 years, both as an entrepreneur and senior executive. He is currently the Managing Director for LinkedIn South East Asia, Australia and New Zealand. In this role, Cliff's focus is driving awareness and uptake of LinkedIn's products, including recruitment, marketing and sales solutions. Since joining LinkedIn in January 2010, Cliff has set up offices in Sydney, Melbourne and Perth, growing the local team to more than 200 staff, including sales, marketing and public relations personnel. He is also a Non Executive Director of ASX-listed Nearmap (NEA) – a company specialising in the generation and sale of high-quality maps for use by a range of businesses.

Cliff was formerly the Managing Director of Yahoo! Australia and New Zealand, where he was responsible for all aspects of the local operation for more than three years. Prior to joining Yahoo!, Cliff was the Founder and Managing Director of iTouch Australia and New Zealand, a leading wireless application service provider. He grew the Australian office to one of the largest mobile content and application providers in Australia, forming key partnerships with companies such as Telstra and Ninemsn. Previously, Cliff was head of corporate strategy for Vodafone Australasia and also served as an international management consultant with Gemini Consulting and Bain Consulting.

Cliff holds a Master of Science degree in Management, as well as Bachelor of Business Science in Economics and Marketing. He is also a member of the Australian Institute of Company Directors (AICD).



Andrew Edwards
(Non-executive Director)

Andrew has more than 30 years of marketing experience behind him and is currently the Chairman and CEO of internationally-renowned advertising and marketing agency Leo Burnett Group UK and President of Leo Burnett Central Europe. Andrew joined Leo Burnett as the Global Discipline Lead for DM and CRM of Arc in 2003 and was soon promoted to Managing Director of Leo Burnett Sydney, incorporating Arc. During his tenure, the agency topped the new business league and, in September 2005, Burnett/Arc was voted Australia's number one agency.

Over the past 10 years, Andrew has been appointed to several senior roles within the company, including President of Arc for the EMEA region, Chairman of Arc UK and Deputy Chairman of the Leo Burnett Group London, before becoming CEO of the UK Group in November 2007 and Chairman in December 2010.

In November 2011, Andrew was asked to expand his role to take on the additional leadership responsibility for Central Europe with a remit to ensure sound company investment in this growth region.

Prior to his roles for Arc/Leo Burnett, Andrew ran Australia's most-awarded direct marketing company, Cartwright Williams. It was during this time that he successfully negotiated the sale and subsequent amalgamation of Cartwright Williams with Leo Burnett's integrated marketing services network, Arc.

4.2 Executive Management

Paul Chan

Managing Director & Chief Executive Officer

See Section 4.1 for details on Mr. Chan.

Geoffrey Nesbitt

(Executive Director & Chief Financial Officer)

See Section 4.1 for details on Mr. Nesbitt.

Wout Van Damme

(Head of Programmatic/ Managing Director – Sparc)

Wout founded Funbox in Sydney in 2004 offering mobile entertainment solutions. Funbox grew to become a global digital marketing services provider working with some of the world's biggest brands. In 2009, Funbox changed its strategy to become a programmatic media-buying business, rebranding as Sparc Media in 2014.

Wout also co-founded four other businesses which have become part of the Sparc Media Group: Future Students, a media agency focused on the education sector; AdSparc, which optimises advertising yields for digital publishers; and Sparc India and Sparc Poland, which provide managed programmatic campaign services for local agencies and brands.

Wout has been CEO of Sparc since its inception and has grown the business revenue to more than $10m (FY15F) without external investment.

Wout joins the senior management team of Pureprofile with a key focus on accelerating the growth of the programmatic trading businesses in Australia and internationally.

Prior to founding Sparc Media Group, Wout worked in various sales and marketing roles at KPN, the largest telecommunications company in The Netherlands.

Wout holds a Diploma of Higher Professional Education in Commercial Economics from the Hogeschool van Utrecht, The Netherlands.

4.3. Interests and benefits

This Section 4.3 sets out the nature and extent of the interests and fees of certain persons involved in the Offer. Other than as set out below or elsewhere in this Prospectus, no:

- Director or proposed Director;
- person named in this Prospectus who has performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- promoter of the Company; or
- underwriter to the Offer or financial services licensee named in the Prospectus as a financial services licensee involved in the Offer,

holds at the time of lodgement of this Prospectus with ASIC, or has held in the two years before lodgement of this Prospectus with ASIC, an interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or in connection with the Offer; or
- the Offer,

and no amount (whether in cash, Shares or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given, to any such persons for services in connection with the formation or promotion of the Company or the Offer or to any Director or proposed Director to induce them to become, or qualify as, a Director.

4.3.1. Interests of advisers

The Company has engaged the following professional advisers:

- The Lead Manager has acted as lead manager and to the Offer. The Company and SaleCo have paid or agreed to pay the Lead Manager the fees described in Section 9.9 for these services.
- Watson Mangioni has acted as Australian legal adviser to the Company in relation to the Offer. The Company has paid, or agreed to pay, approximately $285,000 (excluding disbursements and GST) for these services up until the Prospectus Date. Further amounts may be paid to Watson Mangioni in accordance with its normal time-based charges.
- Swaab Attorneys have acted as Australian legal adviser to the Company in relation to the Sparc Acquisition. The Company has paid, or agreed to pay, approximately $350,000 (excluding disbursements and GST) for these services up until the Prospectus Date. Further amounts may be paid to Swaab in accordance with its normal time-based charges. Fredrick Swaab, a Director, is chairman of partners of Swaab Attorneys and has an economic interest in that firm.
- Moore Stephens Sydney Corporate Finance Pty Limited has acted as investigating accountant to the Offer and has prepared the Investigating Accountant's Report and has performed work in relation to due diligence enquiries. The Company has paid, or agreed to pay, approximately $102,000 (excluding disbursements and GST) for the above services up until the Prospectus Date. Further amounts may be paid to Moore Stephens Sydney Corporate Finance Pty Limited in accordance with its normal time-based charges. In addition to the fees for preparing the Investigating Accountant's Report, entities associated with Moore Stephens Sydney Corporate Finance Pty Limited have provided and continue to provide, a range of audit, tax and advisory services to the Company for which professional fees are received.
- TMT Partners has acted as corporate adviser to the Company in relation to the Offer. The Company has paid, or agreed to pay, TMT Partners approximately $110,000 for the above services.

These amounts, and other expenses of the Offer, will be paid by the Company and SaleCo out of funds raised under the Offer or available cash. Further information on the use of proceeds and payment of expenses of the Offer is set out in Section 8.1.2.

In addition:

- Shaw Stockbroking has acted as broker to the Offer. The Lead Manager has paid or agreed to pay Shaw Stockbroking a selling fee of 2% (exclusive of GST) of Application Monies received from Applicants who provide valid Application Forms through Shaw Stockbroking for these services. The Lead Manager will also reimburse Shaw Stockbroking for any reasonable out of pocket expenses incurred by it (up to $3,000).
- TMT Partners has also acted as corporate adviser to Sparc in relation to the Sparc Acquisition. The Sparc Vendors have agreed to pay TMT Partners approximately $282,000 for these services (based on an estimated acquisition price of $6.3 million).

4.3.2. Director interests & remuneration

4.3.2.1. Chief Executive Officer

Pureprofile Australia Pty Limited has entered into an employment contract with Paul Chan to govern his employment with the Group including as Chief Executive Officer or in such other position(s) determined by that company from time to time, reporting to the boards of Pureprofile Australia Pty Limited and the Company. The employment of Paul is for an unspecified term. Either Pureprofile Australia Pty Limited or Paul may terminate Paul's employment with 6 months' notice or alternatively in Pureprofile Australia Pty Limited's case, payment in lieu of notice. Upon the termination of Paul's employment, he will be subject to a restraint of trade period of 12 months. The enforceability of the restraint clause is subject to all usual legal requirements.

The fixed annual salary package payable to Paul is $350,000 inclusive of base salary and superannuation. Pureprofile Australia Pty Limited has also agreed to pay for or reimburse Paul for reasonable out-of-pocket expenses incurred in connection with the performance of his duties.

Paul will also be eligible for additional short and long term incentives under the Company's incentive schemes. The Company intends to grant Paul a Reward of up to $175,000 under the STI and 500,000 Options under the LTI at or around Completion of the Offer. The key terms and conditions applicable to these Rewards and Options are set out in Section 4.3.4.

Paul Chan held one of the two Shares issued on incorporation. Paul Chan and entities associated with him also comprise some of the Existing Shareholders that participated in the Restructure. Paul Chan and his associated entities associated were issued with 6,462,655 Shares in consideration for the transfer of their interests in other Group under the Restructure. Since the Restructure Paul Chan and his associated entities have also purchased an additional 500,000 Shares from an unrelated Existing Shareholder that participated in the Restructure. Paul Chan and these associated entities will continue to hold all of these 6,962,656 Shares at Completion of the Offer. Details of the escrow arrangements applying to those Shares are set out in Section 8.1.5.

4.3.2.2. Chief Financial Officer

Pureprofile Australia Pty Limited has entered into an employment contract with Geoffrey Nesbitt to govern his employment with the Group.

Pureprofile Australia Pty Limited has employed Geoffrey Nesbitt as Chief Financial Officer and Executive Director, reporting to the board of Pureprofile Australia Pty Limited and the Board. The employment of Geoffrey is for an unspecified term. Either Pureprofile Australia Pty Limited or Geoffrey may terminate Geoffrey's employment with 6 months' notice or alternatively in Pureprofile Australia Pty Limited's case, payment in lieu of notice. Upon the termination of Geoffrey's employment, he will be subject to a restraint of trade period of 12 months. The enforceability of the restraint clause is subject to all usual legal requirements.

The fixed annual salary package payable to Geoffrey is $250,000 inclusive of base salary and superannuation. Pureprofile Australia Pty Limited has also agreed to pay for or reimburse Geoffrey for reasonable out-of-pocket expenses incurred in connection with the performance of his duties.

Geoffrey will also be eligible for additional short term and long term incentives under the Company's incentive schemes. The Company intends to grant Geoffrey a Reward of up to $100,000 under the STI and 570,000 Options under the LTI at or around Completion of the Offer. The key terms and conditions applicable to these Rewards and Options are set out in Section 4.3.4.

Geoffrey Nesbitt and his associated entities did not participate in the Restructure. However since the Restructure Geoffrey Nesbitt and his associated entities have also purchased 250,000 Shares from an unrelated shareholder that participated in the Restructure. Geoffrey Nesbitt and these associated entities will continue to hold all of these 250,000 Shares at Completion of the Offer.

4.3.2.3. Non-Executive Directors

Under the Constitution, the Board decides the total amount paid to each Director as remuneration for their services as a Director of the Company. However, the total amount of fees paid to all Directors for their services as Directors (excluding, for these purposes, the salary of any executive Director) must not exceed such fixed sum per annum as may be determined by the Directors prior to the first annual general meeting of the Company. The remuneration of the Directors shall not be increased except pursuant to a resolution passed by Shareholders at a general meeting where notice of the suggested increase has been given to Shareholders in the notice of meeting.

This amount has been fixed by the Company at $600,000. Any change to that aggregate annual sum needs to be approved by Shareholders. The ASX Listing Rules require that the remuneration of Directors must not include a commission on, or a percentage of, operating revenue.

Annual Directors' fees to be paid by the Company are $100,000 to Fredrick Swaab as Non-Executive Chairman and $70,000 to each of Clifford Rosenberg and Andrew Edwards. Neither the Chief Executive Officer (Paul Chan) or the Chief Financial Officer (Geoffrey Nesbitt) will receive any remuneration for being on the Board beyond their normal salaries which are described in this Section 4.3.2 above.

Fredrick Swaab, Andrew Edwards and Clifford Rosenberg will also be eligible for additional long term incentives under the Company's LTI. The Company has granted each of Fredrick Swaab, Andrew Edwards and Clifford Rosenberg 400,000 Options under the LTI, with one third to vest on completion of the Offer. The key terms and conditions applicable to these Options are set out in Section 4.3.4.

All Directors' fees include superannuation.

Fredrick Swaab held one of the two Shares issued on incorporation. Fredrick Swaab and entities associated with him also comprise some of the Existing Shareholders that participated in the Restructure. Fredrick Swaab and his associated entities were issued with 5,773,849 Shares in consideration for the transfer of their interests in other Group members under the Restructure. Fredrick Swaab and these associated entities will continue to hold all of these 5,773,850 Shares at Completion of the Offer. Details of the escrow arrangements applying to those Shares are set out in Section 8.1.5.

Andrew Edwards is also an Existing Shareholder who participated in the Restructure. Andrew was issued with 201,358 Shares in consideration for the transfer of their interests in other Group members under the Restructure.

Further, an entity associated with Fredrick Swaab has lent $300,000 to Pureprofile Australia Pty Limited. This entity and Pureprofile have agreed to repay this loan by way of the issue of 400,000 Shares immediately prior to Completion of the Offer with the balance of the capital and any accrued interest paid from the proceeds of the Offer. See Section 9.5 for further details.

Clifford Rosenberg is the Managing Director of LinkedIn Australia. Pureprofile uses the services of LinkedIn Australia.

4.3.2.4. Deeds of Access, Insurance and Indemnity

Each of the Directors of the Company has entered into a deed of access, insurance and indemnity with the Company whereby the Company has agreed to:

- indemnify that Director to the extent permitted by law against any liability incurred by the Director as an officer of the Company or other member of the Group including reasonable legal costs;
- maintain directors' and officers' insurance policy covering that Director; and
- provide that Director with access to Board papers and other documents of the Company.

The Company Secretary has entered into a corresponding deed on substantially the same terms.

4.3.2.5. Prospectus liability insurance

The Company intends to effect a policy of prospectus liability insurance. It is intended that the policy would insure the Company, SaleCo and their officers in respect of any claims that this document contains untrue or misleading statements or information or omissions and in respect of official investigations in relation to the Offer.

4.3.2.6. Other information about Directors remuneration

Directors may also be reimbursed for expenses reasonably incurred in attending to Company affairs. Non-Executive Directors may be paid such additional or special remuneration as the Directors decide is appropriate where a Director performs extra work or services which are not in the capacity as a director of the Company or a subsidiary. There are no retirement benefit schemes for Directors, other than statutory superannuation contributions. The interests of Directors and senior management are set out in this Section 4.3.

4.3.2.7. Directors' shareholding

Directors are not required under the Constitution to hold any Shares. On Completion of the Offer, the number of Shares held by Directors are expected to be as follows:

Director	Shares	Percentage
Fredrick Swaab	6,173,850	10.7%
Paul Chan	6,962,656	12.0%
Geoffrey Nesbitt	250,000	0.4%
Andrew Edwards	201,358	0.3%
Clifford Rosenberg	200,000	0.3%

Directors are entitled to participate in the Offer. Clifford Rosenberg has indicated that he intends to acquire the 200,000 Shares outlined above in the General Offer. If Directors participate beyond this, the relevant interests of the Directors will change (and the extent of the change will depend on the number of Shares acquired).

Final Directors' security holdings will be notified to the ASX on Listing. Directors may hold their interests in securities shown above directly, or indirectly through holdings by companies or trusts.

4.3.3. Management team's interests and remuneration

4.3.3.1. CEO

See Section 4.3.2.1.

4.3.3.2. CFO

See Section 4.3.2.2.

4.3.3.3. Head of Programmatic/Managing Director – Sparc

Subject to completion of the Sparc acquisition, the special purpose vehicle incorporated to acquire Sparc will employ Wout Van Damme as Head of Programmatic/Managing Director – Sparc, reporting to the boards of A.C.N. 605 146 567 (the special purpose company incorporated to acquire the assets and shares under the Sparc Acquisition) and the Company/the Chief Executive Officer. The employment of Wout is for an unspecified term. Either the employing company or Wout may terminate Wout's employment with 6 months' notice or alternatively in the company's case, payment in lieu of notice. Upon the termination of Wout's employment, he will be subject to a restraint of trade period of 12 months. The enforceability of the restraint clause is subject to all usual legal requirements.

The fixed annual salary package payable to Wout is $300,945 inclusive of base salary and superannuation. The employing company has also agreed pay for or reimburse Wout for reasonable out-of-pocket expenses incurred in connection with the performance of his duties.

Wout will also be eligible for additional short term and long term incentives under the Company's incentive schemes. The Company intends to grant Wout an amount up to 40% of his salary package as a Reward under the STI and 250,000 Options under the LTI at or around Completion of the Offer. The key terms and conditions applicable to the STI and these Options are set out in Section 4.3.4.

4.3.4. Employee incentive arrangements

The Board has determined that to align the interests of Pureprofile's executive team and the goals of the Company, the remuneration packages of senior executives of the Group should comprise of the following components:

- cash and equity-based short term incentives; and
- equity-based long term incentives.

The award of cash and equity under short and long term incentives will be subject to the achievement of performance criteria or hurdles set by the Board.

The remuneration packages of the executive team are considered by the Nomination and Remuneration Committee and approved by the Board. The remuneration of the executives will be reviewed annually by the Nomination and Remuneration Committee. At the absolute discretion of the Nomination and Remuneration Committee, the Company may seek external advice on the appropriate level and structure of the remuneration packages of the executive team from time to time.

4.3.4.1. Short term incentive plan

The Board has determined that the Company's current remuneration policy for its senior professional staff and other selected employees include an annual incentive program (**STI**).

Under the STI, eligible employees may be offered cash incentives (**Rewards**) which may be subject to vesting conditions set by the Board. Each offer of Rewards under the STI is, or will be, on the terms generally described as follows:

- The Board will determine the total dollar amount of STI available for an eligible employee, calculated as a percentage of their salary package.
- The payment (or part payment) of the STI will be subject to fulfilment (or part fulfilment) of performance conditions set by the Board.
- Any STI that becomes payable will be paid in cash and, in the discretion of the Board, by the grant of rights to receive Shares (**Service Rights**) of equivalent value (as determined by the Board at the time of grant).
- If granted, Service Rights will vest 13 months from the grant date and provided that the eligible employee is still employed by the Company at the vesting date.
- On vesting employees will receive the Shares the subject of the Service Rights without payment of any exercise price.
- Service Rights holders are not entitled to participate in new issues of Shares or other securities made by the Company to holders of Shares without receiving the Shares the subject of the Service Rights before the record date for the relevant issue.
- If, prior to the receipt of Shares the subject of a Service Right, the Company makes a pro rata bonus issue to the holders of its Shares, and the Shares the subject of the Service Right are not issued prior to the record date in respect of that bonus issue, the Service Right will, when vested, entitle the holder to one Share plus the number of bonus shares which would have been issued to the holder if the Shares the subject of the Service Right had been issued prior to the record date.
- If, prior to the receipt of Shares the subject of the Service Rights the Company undergoes a reorganisation of capital (other than by way of a bonus issue or issue for cash), the terms of the Service Rights will be changed to the extent necessary to comply with the ASX Listing Rules as they apply at the relevant time.

4.3.4.2. Long term incentive plan

The Company has adopted a long term incentive plan (**LTI**) in order to assist in the motivation and retention of key staff. The LTI is designed to align the interests of eligible employees more closely with the interests of Shareholders by providing an opportunity for eligible employees to receive an equity interest in the Company.

Under the LTI, eligible employees may be given options to acquire Shares (**Options**) which may be subject to vesting conditions set by the Board. Each grant of Options under the LTI is, or will be, on the terms generally described as follows:

- The Board will determine the number of Options to be granted to each eligible employee.
- Options will vest progressively over time periods determined by the Board at the time of grant For the initial grant of Options granted under the LTI as outlined in this Prospectus one third of the Options will vest on the date of Completion of the Offer; another one third of the options will vest on 31 August 2016; and the remaining one third of the Options will vest on 31 August 2017.
- Vesting of the initial Options granted under the LTI is conditional on the Offer completing by 31 December 2015 and, additionally in the case of eligible employees transferring from Sparc, the completion of the Sparc Acquisition.
- The Options will expire five years from the vesting date.
- Options will have an exercise price as set by the Board at the time of grant. For the initial grant of Options under the LTI as outlined in this Prospectus, the exercise price will be $0.60 for Non-Executive Directors and $0.50 for all other employees issued Options.
- Option holders are not entitled to participate in new issues of Shares or other securities made by the Company to holders of Shares without exercising the Options before the record date for the relevant issue.

- If, prior to the exercise of an Option, the Company makes a pro rata bonus issue to the holders of its Shares, and the Option is not exercised prior to the record date in respect of that bonus issue, the Option will, when vested, entitle the holder to one Share plus the number of bonus shares which would have been issued to the holder if the Option had been exercised prior to the record date.
- If, prior to the exercise of an Option, the Company undergoes a reorganisation of capital (other than by way of a bonus issue or issue for cash), the terms of the Options will be changed to the extent necessary to comply with the ASX Listing Rules as they apply at the relevant time.

4.3.4.3. Rewards and Options proposed to be issued to Directors

The Executive Directors will be issued Rewards under the STI on the terms generally described above in Section 4.3.4.1 and Options under the LTI on the terms generally described above in Section 4.3.4.2. The Non-Executive Directors (including the Non-Executive Chairman) will only be issued Options under the LTI on the terms generally described above in Section 4.3.4.2. Together, the Directors will be issued Rewards and Options under the STI and LTI respectively as follows:

	Reward (STI)	Options (LTI)
Paul Chan	$175,000	500,000
Geoffrey Nesbitt	$100,000	570,000
Fredrick Swaab	–	400,000
Andrew Edwards	–	400,000
Clifford Rosenberg	–	400,000

4.3.4.4. Rewards and Options proposed to be issued to other selected executives

The Company proposes to issue, on or around the Completion of the Offer, further Rewards of $800,901 under the STI and a further 1,101,000 Options under the LTI to selected eligible employees (other than the Directors). It is intended that the proposed issues of Rewards to the selected eligible employees will be in accordance with terms generally described above in Sections 4.3.4.1 and 4.3.4.2. The Company does not expect to issue any other Rewards or Options until the end of FY16.

4.3.4.5 Other employee Share rights

Prior to the establishment of the STI and the LTI, the Company granted an employee an equity-based incentive under which the employee may become entitled to 50,000 Shares subject to certain pre-agreed performance hurdles being achieved by 9 April 2016.

Other than this one arrangement and the other Rewards and Options outlined in this Section 4.3.4 above (and pursuant to the Sparc Acquisition), no person has any rights to acquire any securities in Pureprofile.

4.5. Corporate Governance

This Section explains how the Board oversees the management of Pureprofile's business. The Board is responsible for the overall corporate governance of Pureprofile, including establishing and monitoring key performance goals, monitoring the operational and financial performance and position of Pureprofile and overseeing its business strategy, including approving strategic goals and considering and approving an annual business plan, including a budget. The Board is committed to maximising performance, generating appropriate levels of Shareholder value and financial returns, and sustaining the growth and success of Pureprofile. In conducting the business in accordance with these objectives, the Board seeks to ensure that Pureprofile is properly managed to protect and enhance Shareholder interests and that Pureprofile, its Directors, officers and personnel operate in an appropriate environment of corporate governance. Accordingly, the Board has created a framework for managing Pureprofile. This includes adopting relevant internal controls, risk management processes and corporate governance policies and practices which it believes are appropriate for the business and which are designed to promote the responsible management and conduct of Pureprofile.

The Company is seeking a listing on the ASX. The ASX Corporate Governance Council has developed and released its Corporate Governance Principles and Recommendations (3rd edition) (**ASX Recommendations**) for ASX-listed entities in order to promote investor confidence and to assist companies in meeting stakeholder expectations. The ASX Recommendations are not prescriptions, but guidelines. However, under the ASX Listing Rules, Pureprofile will be required to provide a statement in its annual report disclosing the extent to which it has followed the ASX Recommendations in the reporting period. Where Pureprofile does not follow a recommendation, it must identify the recommendation that has not been followed and give reasons for not following it. The main charters and policies adopted by Pureprofile in accordance with the ASX Recommendations appropriately adapted for the Company's circumstances are summarised below. These will take effect from Official Listing. The Board anticipates that these charters and policies will be further developed and refined as Pureprofile and its management systems and capabilities develop in the years ahead. Copies of Pureprofile's key governance policies and the charters for the Board and each of its committees are available at http://businesses.pureprofile.com/investors. In addition, many governance elements are contained in the Company's constitution.

Board of Directors

The Board of Directors is comprised of the Non-Executive Chairman, the Managing Director, the Chief Financial Officer and two other Non-Executive Directors, both of whom are independent:

- Fredrick Swaab – Non-Executive Chairman;
- Paul Chan – Managing Director and Chief Executive Officer;
- Geoffrey Nesbitt – Executive Director and Chief Financial Officer;
- Andrew Edwards – Non-Executive Director; and
- Clifford Rosenberg – Non-Executive Director.

Detailed biographies are provided in Section 4.1.

Each Director has confirmed to Pureprofile that he anticipates being available to perform his duties as a Non-Executive Director or Executive Director as the case may be, without constraint from other commitments.

The Board considers an independent Director to be a Non-Executive Director who is not a member of Pureprofile's management and who is free of any business or other relationship that could materially interfere with or reasonably be perceived to interfere with the unfettered and independent exercise of their judgment. The Board will consider the materiality of any given relationship on a case-by-case basis and has adopted guidelines to assist in this regard. The Board regularly reviews the independence of each Director in light of interests disclosed to the Board from time to time.

The Board Charter sets out factors relevant to assessing the independence of Directors in accordance with the ASX Recommendations and has adopted a definition of independence that is based on that set out in the ASX Recommendations. The Board considers qualitative principles of materiality for the purpose of determining "independence" on a case-by-case basis. The Board will consider whether there are any factors or considerations which may mean that the Director's interest, business or relationship could, or could be reasonably perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

The Board considers that both Andrew Edwards and Clifford Rosenberg are free from any business or any other relationship that could materially interfere with, or reasonably be perceived to interfere with, the independent exercise of their judgment, and are able to fulfil the role of independent Non-Executive Director for the purpose of the ASX Recommendations.

Fredrick Swaab is not considered to be independent as he is the co-founder of Pureprofile and is expected to hold 10.7% of the Shares (directly and indirectly through an associated entity) upon Completion of the Offer. Paul Chan is not considered to be independent as he is the co-founder of Pureprofile, is currently the Managing Director and Chief Executive Officer of Pureprofile and is expected to hold 12.0% of the Shares (directly and indirectly through an associated entity) upon Completion of the Offer.

Geoffrey Nesbitt is not considered to be independent as he is currently an Executive Director and Chief Financial Officer of Pureprofile. Accordingly, the Board does not consist of a majority of independent Directors and the Chairman is not an independent Director. The Board acknowledges the ASX Recommendation that a majority of the Board should be independent Directors and that the Chairman should be an independent Director. The Board believes that each of the Directors brings objective and independent judgment to the

Board's deliberations and that each of the Directors makes valuable contributions to the Company through their deep understanding of Pureprofile's business. The Board believes that Fredrick Swaab is the most appropriate person to lead the board as Non-Executive Chairman and that he is able to and does bring quality and independent judgment to all relevant issues falling within the scope of the role of Chairman and that the Company as a whole benefits from his long standing experience of its operations and business relationships.

Board Charter

Pureprofile has adopted a Board Charter which sets out the responsibilities of the Board in greater detail. It envisages that the Board should comprise Directors with a range of skills, expertise, experience and diversity which are relevant to the Company's business and the Board's role and responsibilities. The Board Charter allows the Board to delegate powers and responsibilities to committees established by the Board. The Board retains ultimate accountability to Shareholders in discharging its duties.

Pureprofile will review the performance of its Board, its committees, its Directors and its senior executives in accordance with processes established by the Board.

Board committees

The Board may from time to time establish appropriate committees to assist in performing its responsibilities. The Board has established an Audit Committee and a Nomination and Remuneration Committee. Other committees may be established by the Board as and when required. Membership of Board committees will be based on the needs of Pureprofile, relevant legislative and other requirements and the skills and experience of individual Directors. Under the Board Charter, Board committee performance evaluations will occur regularly.

Audit Committee

The role of the Audit Committee is to assist the Board in fulfilling its responsibilities for corporate governance and overseeing the Company's internal control structure. The Audit Committee also confirms the quality and reliability of the financial information prepared by the Company, works with the external auditor on behalf of the Board and reviews non-audit services provided by the external auditor.

The Board has adopted a policy regarding the services that the Company may obtain from its auditor. It is the policy of the Company that its external auditor:

- must be independent of the Company and the Directors and management. To ensure this, the Company requires a formal report from its external auditor on an annual basis setting out the relationships that may affect its independence; and
- may not provide services to the Company that are, or are perceived to be, materially in conflict with the role of the external auditor.

Non-audit or assurance services that may impair, or appear to impair, the external auditor's judgement or independence are not appropriate. However, the external auditor may be permitted to provide additional services which are, or may be perceived to be, materially in conflict with the role of the auditor if the Board or Audit Committee has approved those additional services.

The Charter of the Audit Committee provides that the committee should comprise, to the extent practicable given the size and composition of the Board from time to time, at least three members, the majority of whom are Non-Executive and independent Directors. It is intended so far as practicable that all members of the Audit Committee should be financially literate and have familiarity with financial management and at least one member should have relevant qualifications and experience.

The Audit Committee will meet as often as is required by the Audit Committee Charter or other policy approved by the Board to govern the operations of the Audit Committee. The chairman of the Audit Committee may invite other Directors, members of management and representatives of the external auditor to be present at meetings of the Audit Committee and seek advice from external advisers. The Audit Committee will regularly report to the Board about Committee activities, issues and related recommendations.

The committee will be chaired by Fredrick Swaab, the Non-Executive Chairman and also comprises of Clifford Rosenberg and Andrew Edwards, both independent Non-Executive Directors.

The Board acknowledges the ASX Recommendation that the Audit Committee should be chaired by an independent Director who is not the Chairman of the Board. Since the appointments of the two independent Non-Executive Directors are recent (appointed in June 2015), the Board has determined that it is more appropriate for the time being to have a Director who understands the history and has an intimate knowledge of the Company to oversee the Audit Committee. However, the Board believes that the experience and industry knowledge of the two independent Non-Executive Directors will ensure objective and independent judgment in carrying out their responsibilities on the Audit Committee. The Board will review the composition of the Audit Committee at an appropriate time in the future.

Nomination and Remuneration Committee

The role of the Nomination and Remuneration Committee is to review and make recommendations to the Board on remuneration packages and policies related to the Directors and management and to ensure that the remuneration policies and practices are consistent with Pureprofile's strategic goals and human resources objectives.

The Nomination and Remuneration Committee is also responsible for reviewing and making recommendations in relation to the composition and performance of the Board and its committees and ensuring that adequate succession plans are in place (including for the recruitment and appointment of Directors and management). Independent advice will be sought where appropriate.

The Nomination and Remuneration Committee will meet as often as is required by the Nomination and Remuneration Committee Charter or other policy approved by the Board to govern the operation of the Nomination and Remuneration Committee. Following each meeting, the Nomination and Remuneration Committee will report to the Board on any matter that should be brought to the Board's attention and on any recommendation of the Nomination and Remuneration Committee that requires Board approval.

The committee will be chaired by Clifford Rosenberg who is an independent Non-Executive Director, and also comprises of Andrew Edwards, an independent Non-Executive Director, and Fredrick Swaab, the Non-Executive Chairman.

Risk Management Policy

The identification and proper management of the Company's risks is an important priority of the Board. The Board is responsible for overseeing and approving risk management strategy and policies for identifying major risk areas and monitoring risk management to provide assurance that major business risks are identified, consistently assessed and appropriately addressed. The Board will adopt a risk management framework. It is intended that the framework includes a Board-approved risk policy, risk management strategy and risk profile, as well as comprehensive procedures to identify, measure, monitor and manage risk, including control effectiveness and related mitigation plans. Material risks are assessed on a regular basis, and the Audit Committee and the Board receive and consider regular reports on their status.

Pureprofile will regularly undertake reviews of its risk management procedures to ensure that it complies with its legal obligations, including assisting the Managing Director or Chief Financial Officer to provide the required declaration under section 295A of the Corporations Act.

Diversity Policy

Pureprofile's workforce is made up of individuals with diverse skills, backgrounds, perspectives and experiences, and this diversity is recognised, valued and respected. Pureprofile acknowledges the positive outcomes that can be achieved through a diverse workforce and recognises and uses its workforce's diverse skills and talents. The Company has adopted a diversity policy that outlines the Board's commitment to diversity. For the purposes of this policy, "diversity" encompasses (without limitation) diversity of gender, age, ethnicity, cultural background, impairment or disability, marital or family status, sexual orientation, gender identity and religion.

In its annual report, Pureprofile will disclose its measurable objectives for achieving gender diversity and its progress towards achieving them, and will also disclose the respective proportions of men and women on the Board, in senior executive positions and other employees of the Group.

Continuous Disclosure and Communication Policy

Once listed, Pureprofile will be required to comply with the continuous disclosure requirements of the ASX Listing Rules and the Corporations Act. Pureprofile will be required to disclose immediately to the ASX any information concerning Pureprofile that a reasonable person would expect to have a material effect on the price or value of Pureprofile's securities, unless an exception applies at that time.

The Board aims to ensure that Shareholders and stakeholders are informed of all major developments affecting the Company's state of affairs. Accordingly, Pureprofile has adopted a Continuous Disclosure and Communication Policy and a Continuous Disclosure and Communication Procedure (to apply from listing), which together aim to establish procedures to ensure that Directors, officers, employees and consultants of Pureprofile are aware of, and fulfil, their obligations to provide timely, full and accurate disclosure of material information to Pureprofile's stakeholders and comply with Pureprofile's disclosure obligations under the Corporations Act and ASX Listing Rules. The policy documents also contain procedures for communicating with Shareholders, the media and the market.

In addition, the Board aims to ensure that Shareholders are provided with sufficient information to assess the performance of Pureprofile and that they are informed of all major developments affecting Pureprofile's state of affairs that are relevant to Shareholders, in accordance with all applicable laws. Information will be communicated to Shareholders by lodging information required by Pureprofile's continuous disclosure obligations with the ASX and then publishing this information on Pureprofile's website at http://businesses.pureprofile.com/investors. In addition, the website will contain information about Pureprofile, including media releases, key policies and the terms of reference of its Board committees. As far as is legally permitted, all communications with Shareholders will be effected by electronic means of communication rather than through physical or paper based medium.

Securities Trading Policy

Pureprofile has adopted a Securities Trading Policy that will, upon listing, apply to the Directors, the company secretary, any director or company secretary of a member of the Group, management and other persons nominated by the Board from time to time (**Restricted Persons**). The Securities Trading Policy is intended to explain the types of conduct in relation to dealings in Shares that are prohibited under the Corporations Act and establish procedures in relation to dealings in Shares by Restricted Persons.

In all instances, buying or selling Shares is not permitted at any time by any person who possesses price-sensitive information in a manner contrary to the Corporations Act. Subject to this overriding requirement and subject to certain notification requirements, Restricted Persons are permitted to deal in Shares except during certain black out periods, being the periods from 1 July to the date that is one trading day following the announcement of the Company's preliminary final results to the ASX, 1 January to the date that is one trading day following the announcement of the Company's half-year results to the ASX and any other periods nominated by the Board.

However, the Chairman may give permission for dealing during these periods in exceptional circumstances (e.g. severe financial hardship) provided the relevant individual seeking permission does not possess any confidential price sensitive information.

Code of Conduct

Pureprofile employees are required to conduct their activities ethically and with integrity, acting only in ways that reflect well on Pureprofile in compliance with any applicable laws, standards and internal policies that are relevant to Pureprofile's roles and guide conduct at work. Pureprofile has approved a Code of Conduct to apply upon listing. The document outlines Pureprofile employees' obligations of compliance with the Code of Conduct and explains how the Code of Conduct interacts with Pureprofile's other corporate governance policies. Responsibilities include behaving in a manner to promote health, safety and wellbeing, fostering relationships of trust and respect, avoiding conflicts of interest, not offering or accepting secret commissions or bribes to further Pureprofile's business interests, promoting investor confidence and rights of Shareholders and other stakeholders, protecting confidential information and avoiding insider trading.

5. Financial Information

5. Financial Information

5.1 Introduction

This Section contains a summary of the historical and forecast financial information prepared by the Directors of Pureprofile.

The Pro Forma Historical Financial Information comprises the:

- pro forma consolidated historical income statements for FY12, FY13, FY14 and HY15 (the **Pro Forma Historical Results**);
- pro forma consolidated historical cash flow statements FY12, FY13, FY14 and HY15 (the **Pro Forma Historical Cash Flow Statements**); and
- pro forma consolidated historical balance sheet as at 31 December 2014 (the **Pro Forma Balance Sheet**);

(together the **Pro Forma Historical Financial Information**).

The Forecast Financial Information comprises the:

- statutory consolidated forecast income statements for FY15 and FY16 (the **Statutory Forecast Results**);
- statutory consolidated forecast cash flow statements for FY15 and FY16 (the **Statutory Forecast Cash Flow Statements**);
- pro forma consolidated forecast income statements for FY15 and FY16 (the **Pro Forma Forecast Results**); and
- pro forma consolidated forecast cash flow statements for FY15 and FY16 (the **Pro Forma Forecast Cash Flow Statements**);

(together the **Forecast Financial Information**).

The Pro Forma Historical Financial Information and Forecast Financial Information together form the **Financial Information**.

Also contained in this Section are:

- the basis of preparation and presentation of the Financial Information (Section 5.2);
- a summary of the key operating metrics, including revenue by segment (nature and geography) (Section 5.3.2);
- management's discussion and analysis of the Pro Forma Historical Financial Information (Section 5.6);
- the Directors' best estimate assumptions underlying the Forecast Financial Information (Section 5.7);
- a sensitivity analysis of the Forecast Financial Information to changes in certain key forecast assumptions (Section 5.8);
- the Company's dividend policy (Section 5.9);
- a summary of capitalisation and indebtedness before and after the Offer (Section 5.10); and
- a summary of Pureprofile's foreign exchange hedging policy (Section 5.11).

All amounts disclosed in this Section are presented in Australian dollars and, unless otherwise noted, are rounded to the nearest 100,000 dollars. Accordingly some tables may not add due to rounding.

5.2 Basis of preparation and presentation of Financial Information

The Directors of Pureprofile are responsible for the preparation of the Financial Information.

The Pro Forma Historical Financial Information has been prepared and presented in accordance with the measurement and recognition principles of Australian Accounting Standards issued by the Australian Accounting Standards Board, which are consistent with International Financial Reporting Standards issued by the International Accounting Standards Board.

The significant accounting policies adopted in the preparation of the Financial Information are set out in Appendix 1.

The Financial Information is presented in an abbreviated format and does not contain all of the disclosures required by the Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.

The Financial Information presented in this Section should be read in conjunction with the risk factors set out in Section 7 and other information contained in this Prospectus.

5.2.1 Preparation of Pro Forma Historical Financial Information

The Pro Forma Historical Financial Information has been prepared for the purpose of inclusion in this Prospectus. The Pro Forma Historical Financial Information has been derived from the actual financial results and balances of Pureprofile Limited and the entities and businesses it will control (following completion of the Offer) for FY12, FY13 and FY14 and the 6 month period to 31 December 2014 (**Statutory Historical Results**) with pro forma adjustments being made for the following:

- consolidation of subsidiaries ;
- elimination of non-recurring items;
- increases in remuneration of senior management (during FY15) have been added into prior years for comparative purposes;
- stand-alone public company costs;
- adjustment to reflect earnings from the Sparc Acquisition;
- adjustment associated with capitalisation and amortisation of development costs; and
- adjustment to reflect Pureprofile's operating and capital structure following Completion of the Offer as set out in Section 8.

The Pro Forma Historical Financial Information has been derived from the following actual historical financial information:

- the audited financial accounts of Pureprofile Australia Pty Limited for the years ended 30 June 2012, 2013 and 2014, by Moore Stephens Sydney Corporate Finance Pty Limited; and
- the audited financial accounts of Pureprofile UK Ltd for the years ended 30 June 2012, 2013 and 2014, by Moore Stephens LLP (in accordance with International Standards on Auditing (UK and Ireland));
- the reviewed financial accounts of Pureprofile US Inc, Funbox India Private Limited, Sparc Media sp.z.o.o, and the Income Statements of the Sparc Australian businesses for the years ended 30 June 2012, 2013 and 2014, by Moore Stephens Sydney Corporate Finance Pty Limited; and
- the reviewed financial accounts of Pureprofile Australia Pty Limited, Pureprofile UK Ltd, Pureprofile US Inc, Funbox India Private Limited, Sparc Media sp.z.o.o, and the Income Statements of the Sparc Australian businesses for the six months ended 31 December 2014, by Moore Stephens Sydney Corporate Finance Pty Limited.

The abovementioned audit opinions and review conclusions were unmodified.

The pro forma consolidated financial statements of Pureprofile Limited for FY12, FY13 and FY14 were reviewed by Moore Stephens Sydney Corporate Finance Pty Limited, which has issued an unqualified review conclusion. The pro forma consolidated financial statements of Pureprofile Limited for the 6 month period to 31 December 2014 were reviewed by Moore Stephens Sydney Corporate Finance Pty Limited, which has issued an unqualified review conclusion.

The Pro Forma Historical Financial Information included in this Prospectus has been reviewed, but not audited, by Moore Stephens Sydney Corporate Finance Pty Limited. Investors should note the scope and limitations of the Investigating Accountant's Report (refer to Section 6).

Refer to Section 5.3.3 for a reconciliation between the Statutory Historical Results and Pro Forma Historical Results, to Section 5.4 for a reconciliation between the Statutory Historical Cash Flows and Pro Forma Historical Cash Flows and to Section 5.5 for a reconciliation between the statutory historical balance sheet and the Pro Forma Balance Sheet.

Investors should note that past results are not a guarantee of future performance.

5.2.2 Preparation of Forecast Financial Information

Forecast Financial Information is presented on both a statutory and pro forma basis and has been prepared solely for inclusion in this Prospectus. The Directors believe that the Forecast Financial Information has been prepared with due care and attention, and consider all best estimate assumptions when taken as a whole to be reasonable at the time of preparing this Prospectus. However, this information is not fact and investors are cautioned not to place undue reliance on the Forecast Financial Information.

The Pro Forma Forecast Results and Pro Forma Forecast Cash Flow Statements have been derived from the Statutory Forecast Results and Statutory Forecast Cash Flows (respectively) after adjusting for pro forma transactions and other adjustments to reflect Pureprofile's operations following the Sparc Acquisition and Completion of the Offer and to eliminate non-recurring items and to reflect stand-alone public company costs as set out in Sections 5.3.3. Both the Statutory Forecast Results and Statutory Forecast Cash Flows Statements for FY15 consist of reviewed results for the six months to 31 December 2014 and the Directors' best estimate forecasts for the 6 months to 30 June 2015, having regard to actual results to 30 April 2015 based on unaudited management accounts. The Statutory Forecast Results and Statutory Cash Flows for FY16 consist of the Directors' best estimate forecasts for the 12 months to 30 June 2016. Please note that for the purposes of Statutory Forecast Results and Statutory Forecast Cash Flow Statements are prepared on the basis that Pureprofile will obtain control of the Sparc entities and businesses from 22 July 2015. Accordingly, Statutory Forecast Results and Statutory Forecast Cash Flow Statements for FY15 do not include results for Sparc.

The Forecast Financial Information has been prepared by Directors based on an assessment of current economic and operating conditions and best estimate assumptions regarding future events and actions as set out in Section 5.7. The Forecast Financial Information is subject to risks set out in Section 7. The inclusion of these assumptions and risks is intended to assist investors in assessing the reasonableness and likelihood of the assumptions occurring and is not intended to be a representation that the assumptions will occur. The Forecast Financial Information presented in this Prospectus has been reviewed by Moore Stephens Sydney Corporate Finance Pty Limited but has not been audited. Investors should note the scope and limitations of the Investigating Accountant's Report (refer Section 6).

Investors should be aware that the timing of actual events and the magnitude of their impact might differ from that assumed in preparing the Forecast Financial Information, and that this may have a material positive or material negative effect on Pureprofile's actual financial performance or financial position. In addition, the assumptions upon which the Forecast Financial Information is based are by their very nature subject to significant uncertainties and contingencies, many of which will be outside the control of Pureprofile, the Directors and management, and are not reliably predictable. Accordingly, neither Pureprofile nor its Directors or management, or any other person can give investors any assurance that the outcomes discussed in the Forecast Financial Information will arise. Events and outcomes might differ in amount and timing from the assumptions, with a material consequential impact on the Forecast Financial Information.

The Forecast Financial Information in Section 5.7 should be read in conjunction with the specific assumptions as set out in Section 5.7.2, the general assumptions as set out in Section 5.7.1, the sensitivities as set out in Section 5.8, the risk factors as set out in Section 7 and other information contained in this Prospectus.

Pureprofile has no intention to update or revise the Forecast Financial Information or other forward looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

5.2.3 Explanation of certain non-International Financial Reporting Standards (IFRS) measures

Pureprofile uses certain measures to manage and report on its business that are not recognised under Australian Accounting Standards. These measures are collectively referred to in Section 5 as "non-IFRS financial measures" under Regulatory Guide 230 "Disclosing non-IFRS financial information" published by ASIC. The principal non-IFRS financial measures that are referred to in this Prospectus are as follows:

- **EBITDA** is earnings before interest, tax, depreciation and all amortisation expenses. Management uses EBITDA to evaluate the operating performance of the business without the non-cash impact of depreciation and amortisation and before interest and tax charges.
- Pureprofile also presents **EBITDA margin**, which is EBITDA divided by revenue, expressed as a percentage. EBITDA margin is a key measure that management uses to evaluate the profitability of the overall business. Because it does not include the non-cash charges for depreciation and amortisation, EBITDA is useful to help understand the cash generation potential of the business. However, it should not be considered as an alternative to cash flow from operations and investors should not consider EBITDA in isolation from, or as a substitute for, analysis of the Company's results of operations. Some of the limitations of EBITDA are that it does not reflect:
  - Pureprofile's available cash;
  - changes in Pureprofile's working capital needs;
  - the cash requirements necessary to service interest payments or principal repayments in respect of any borrowings;
  - that, although depreciation and amortisation are non-cash charges, the assets being depreciated and amortised will often have to be replaced in the future, and there will likely be cash requirements for such replacements; and
  - that other companies in Pureprofile's industry may calculate these measures differently from how Pureprofile does, limiting their usefulness as a comparative measure.
- **EBITA** is earnings before interest, tax and amortisation of acquisition related intangibles.
- **EBIT** is earnings before interest and tax.
- **NPAT** is net profit after tax.
- **NPATA** is net profit after tax but prior to the amortisation of intangibles relating to acquisitions (net of tax effect).

Although the Directors believe that these measures provide useful information about the financial performance of Pureprofile, they should be considered as supplements to the income statement and cash flow measures that have been presented in accordance with the Australian Accounting Standards and not as a replacement for them. Because these non-IFRS financial measures are not based on Australian Accounting Standards, they do not have standard definitions, and the way Pureprofile has calculated these measures may differ from similarly titled measures used by other companies. Readers should therefore not place undue reliance on these non-IFRS financial measures.

5.3 Consolidated historical and forecast income statements

5.3.1 Pro Forma Historical Results, Pro Forma Forecast Results and Statutory Forecast Results

The table below sets out the Pro Forma Historical results for FY12, FY13, FY14 and HY15 and the Pro Forma Forecast Results for FY15 and FY16 together with the Statutory Forecast Results for FY15 and FY16.

	Pro forma Historical Results[1]				Pro Forma Forecast Results[2]		Statutory Forecast Results	
Year Ending 30 June	**FY12**	**FY13**	**FY14**	**HY15[3]**	**FY15**	**FY16**	**FY15[4]**	**FY16**
$'M								
Online Research	7.9	7.5	7.3	3.6	8.5	11.1	8.5	11.1
Media	7.4	8.6	9.0	5.5	11.6	16.2	0.2	16.2
Platform	0.1	0.1	0.9	0.2	0.5	0.8	0.5	0.8
Total Revenue	**15.4**	**16.2**	**17.2**	**9.3**	**20.6**	**28.1**	**9.2**	**28.1**
Cost of Sales	7.7	7.6	8.1	5.3	10.9	14.1	3.5	14.1
Gross Profit	**7.7**	**8.6**	**9.1**	**3.9**	**9.7**	**14.0**	**5.7**	**14.0**
Employee Costs	4.5	4.9	6.7	2.5	6.0	7.5	2.8	7.5
Other Costs	3.5	3.2	3.8	2.2	3.7	4.1	3.2	4.1
Total OPEX	**8.0**	**8.1**	**10.5**	**4.7**	**9.7**	**11.6**	**6.0**	**11.6**
Total other income	0.2	0.4	0.3	0.1	0.3	0.0	0.1	0.0
EBITDA	**(0.2)**	**0.9**	**(1.1)**	**(0.7)**	**0.3**	**2.5**	**(0.3)**	**2.5**
Depreciation	0.2	0.1	0.1	0.0	0.0	0.0	0.0	0.0
Amortisation	0.4	0.5	0.7	0.4	1.0	1.4	0.7	1.4
EBIT	**(0.8)**	**0.2**	**(1.9)**	**(1.1)**	**(0.8)**	**1.0**	**(1.1)**	**1.0**
Net interest (expense)/revenue	0.0	0.0	0.0	0.0	(0.1)	0.1	0.0	0.1
(Loss)/Profit before tax	**(0.8)**	**0.2**	**(1.9)**	**(1.1)**	**(0.9)**	**1.1**	**(1.1)**	**1.1**
Income tax (expense)/ benefit	0.1	0.2	0.5	0.3	0.4	(0.2)	0.4	(0.2)
NPAT	**(0.6)**	**0.4**	**(1.4)**	**(0.8)**	**(0.5)**	**0.9**	**(0.7)**	**0.9**
NPATA	**(0.4)**	**0.7**	**(1.1)**	**(0.7)**	**(0.2)**	**1.1**	**(0.7)**	**1.1**

Notes:

1. The Pro Forma Historical Results are reconciled to the Statutory Historical Results in Section 5.3.3
2. The Pro Forma Forecast Results are reconciled to the Statutory Forecast Results in Section 5.3.3
3. The Pro Forma Historical Results for HY15 are the reviewed results for the six months to 31 December 2014
4. Statutory Forecast Results for FY15 consist of reviewed results for the six months to 31 December 2014 and the Directors' best estimate forecasts for the six months to 30 June 2015

5.3.2 Key Operating Metrics

Set out below is a summary of Pureprofile's key historical operating metrics for FY12, FY13 and FY14 derived from the Pro Forma Historical Results, and the forecast key operating metrics for FY15 and FY16 derived from the Pro Forma Forecast Results and the Statutory Forecast Results.

	Pro Forma Historical Results[1]			Pro Forma Forecast Results[2]		Statutory Forecast Results[3]	
Year Ending 30 June	**FY12**	**FY13**	**FY14**	**FY15**	**FY16**	**FY15**	**FY16**
Revenue Growth	–	6%	6%	20%	36%	6%	36%
Gross Profit margin	50%	53%	53%	47%	50%	62%	50%
EBITDA growth	–	575%	(219%)	126%	781%	51%	781%
EBITDA margin	(1%)	6%	(6%)	1%	9%	(3%)	9%
NPATA growth	–	292%	(265%)	84%	750%	49%	750%
NPATA margin	(2%)	4%	(7%)	(1%)	4%	(7%)	4%

Notes:
1. The Pro Forma Historical Results are reconciled to the Statutory Historical Results in Section 5.3.3
2. The Pro Forma Forecast Results are reconciled to the Statutory Forecast Results in Section 5.3.3
3. Statutory Forecast Results for FY15 consist of reviewed results for the six months to 31 December 2014 and the Directors' best estimate forecasts for the six months to 30 June 2015.

Segment Revenue

The table below shows a break-up of historical and forecast revenue by segment.

	Pro Forma Historical Results			Pro Forma Forecast Results	
Year	**FY12**	**FY13**	**FY14**	**FY15**	**FY16**
$'M					
Research	7.9	7.5	7.3	8.5	11.1
Media	7.4	8.6	9.0	11.6	16.2
Platform	0.1	0.1	0.9	0.5	0.8
Total Revenue	**15.4**	**16.2**	**17.2**	**20.6**	**28.1**

Pureprofile has operations in Australia, the US, the UK and Poland (Europe) and India. The FY15 and FY16 forecast revenue for each region is shown in the table below:

	Aust	**US**	**Eur**	**India**	**Total**
$'M					
Revenue – FY15	11.0 (53%)	6.2 (30%)	2.4 (12%)	1.1 (5%)	20.6
Revenue – FY16	14.6 (52%)	8.5 (30%)	3.7 (13%)	1.4 (5%)	28.1

5.3.3 Pro Forma adjustments to the Statutory Historical Results and the Statutory Forecast Results

The table below sets out the pro forma adjustments to historical and forecast statutory revenue and NPAT to reflect the full period impact of the operating and capital structure that will be in place following Completion of the Offer as if it was in place as at 1 July 2011. In addition, certain other adjustments to eliminate non-recurring items have been made in the period in which they occurred and changes to remuneration arrangements and estimated stand-alone public company costs have been reflected across the historical and forecast periods. These adjustments are summarised below:

		Historical Adjustments				Forecast Adjustments	
Year Ending 30 June	Note	FY12	FY13	FY14	HY15	FY15	FY16
Statutory revenue		8.8	8.3	8.7	3.9	9.2	12.1
Pro forma impact of acquisition	1	6.6	7.9	8.5	5.4	11.4	16.1
Pro forma revenue		**15.4**	**16.2**	**17.2**	**9.3**	**20.6**	**28.1**
Statutory NPAT		**(0.2)**	**0.6**	**(0.4)**	**(0.6)**	**(0.7)**	**0.9**
Pro forma impact of acquisition	1	–	0.2	(0.7)	(0.2)	0.4	–
Non-recurring expenses	2	–	–	0.3	0.3	0.6	–
Amortisation of intangible upon acquisition	3	(0.3)	(0.3)	(0.3)	(0.1)	(0.3)	–
IPO related remuneration costs	4	(0.2)	(0.2)	(0.2)	(0.1)	(0.2)	–
Public company costs	5	(0.2)	(0.2)	(0.2)	(0.1)	(0.4)	–
Tax effect	6	0.2	0.2	0.2	–	0.1	–
Total pro forma adjustments		**(0.4)**	**(0.2)**	**(1.0)**	**(0.2)**	**0.2**	**–**
Pro forma NPAT		**(0.6)**	**0.4**	**(1.4)**	**(0.8)**	**(0.5)**	**0.9**

The pro forma adjustments made to the Historical and Forecast Financial Information of Pureprofile reflects the following events and assumptions (on an annualised basis):

1. **Pro forma impact of acquisition –** FY12, FY13, FY14 and HY15 includes a pro forma adjustment for the full impact of Sparc revenue and NPAT as if Pureprofile controlled Sparc since 1 July 2011.
2. **Non-recurring expenses –** Represents the pro forma adjustment for non-recurring expenses for 'one-off' business expenditure incurred by Pureprofile which are specific to circumstances at the time, and include such items as recruitment fees, consultant fees and salaries as a result of the transition of key management roles.
3. **Amortisation –** This represents the amortisation expense over 4 years stemming from the identifiable intangibles of the Sparc Acquisition.
4. **IPO related remuneration costs –** This is to adjust historically for increases in senior management remuneration on completion of the Offer and to remove the impact of one-off share based payment expense relating to the issue of 3,371,000 Options to Directors, senior executive and staff of Pureprofile.
5. **Public company costs –** This is based on Pureprofile's estimate of the incremental annual costs that the Company will incur as a listed public company. These costs include incremental increases to Non-executive Director remuneration, Company Secretary costs, additional audit and legal costs, listing fees, share registry fees, Directors' and officers' insurance premiums as well as annual general meeting and annual report costs.
6. **Tax effect of pro forma adjustments –** The tax impact of adjustments 1 to 5 above has been reflected in this adjustment as appropriate.

5.4 Consolidated historical and forecast cash flow statements

5.4.1 Pro Forma Historical Cash Flow Statements, Pro Forma Forecast Cash Flow Statements and Statutory Forecast Cash Flow Statements

The table below sets out the Pro Forma Historical Cash Flow Statements and the Pro Forma Forecast Cash Flow Statements and Statutory Forecast Cash Flow Statements.

	Pro Forma Historical Cash Flow Statements[1]				Pro Forma Forecast Cash Flow Statements[2]		Statutory Forecast Cash Flow Statements	
Year Ending 30 June	**FY12**	**FY13**	**FY14**	**HY15[3]**	**FY15[4]**	**FY16**	**FY15**	**FY16**
$'M								
EBITDA	**(0.2)**	**0.9**	**(1.1)**	**(0.7)**	**0.3**	**2.5**	**(0.3)**	**2.5**
Non-cash items in EBITDA	–	–	–	–	–	–	–	–
Change in working capital	0.3	–	(1.6)	(0.9)	(1.1)	(1.1)	(0.1)	(1.1)
Capitalised development costs	(0.7)	(0.7)	(0.8)	(0.7)	(1.6)	(1.8)	(1.6)	(1.8)
Operating free cash flow before capital expenditure	**(0.6)**	**0.2**	**(3.5)**	**(2.3)**	**(2.4)**	**(0.5)**	**(2.0)**	**(0.5)**
Acquisition of property, plant and equipment	–	–	–	–	–	–	–	–
Operating cash flow after capital expenditure	**(0.6)**	**0.2**	**(3.5)**	**(2.3)**	**(2.4)**	**(0.5)**	**(2.0)**	**(0.5)**
Equity raising cash flow								
Proceeds from issue of shares					2.5	10.0	2.5	10.0
Costs associated with capital raising					(0.1)	(1.5)	(0.1)	(1.5)
Sparc Acquisition					–	(3.0)	–	(3.0)
Net cash flow after capital raising					**2.4**	**5.5**	**2.4**	**5.5**

1. The Pro Forma Historical Cash Flow Statements are reconciled to the Statutory Historical Cash Flow Statements in Section 5.4.2
2. The Pro Forma Forecast Cash Flow Statements are reconciled to the Statutory Forecast Cash Flow Statements in Section 5.4.2
3. The Pro Forma Historical Cash Flow Statements for HY15 is the reviewed cash flow statement for the six months to 31 December 2014.
4. The Statutory Forecast Cash Flow Statement for FY15 consist of the reviewed cash flow statement for the six months to 31 December 2014 and the Directors' best estimate forecasts for the six months to 30 June 2015.

5.4.2 Pro Forma adjustments to the Statutory Historical Results and the Statutory Forecast Results

		Historical Pro Forma Adjustments				Forecast Pro Forma Adjustments	
Year Ending 30 June	**Notes**	**FY12**	**FY13**	**FY14**	**HY15**	**FY15**	**FY16**
$'000							
Statutory net operating free cash flow (including capital expenditure)		**(0.5)**	**0.1**	**(2.7)**	**(1.3)**	**(2.4)**	**(0.5)**
Pro forma impact of acquisition	1	–	0.2	(0.7)	(0.2)	0.4	–
Acquisition transaction costs	2	–	–	–	–	(0.5)	–
Non-recurring expenses	3	–	–	0.3	0.3	0.6	–
IPO related remuneration costs	4	(0.2)	(0.2)	(0.2)	(0.1)	(0.2)	–
Public company costs	5	(0.2)	(0.2)	(0.2)	(0.1)	(0.4)	–
IPO transaction costs	6	–	–	(0.1)	(1.0)	–	–
Tax effect	7	0.2	0.2	0.2	–	0.1	–
Total pro forma adjustments		**(0.1)**	**–**	**(0.8)**	**(1.0)**	**–**	**–**
Pro forma net free cash flow		**(0.6)**	**0.2**	**(3.5)**	**(2.3)**	**(2.4)**	**(0.5)**

1. **Pro forma impact of acquisition –** FY12, FY13, FY14 and HY15 includes the statutory net operating free cash flow of Sparc, as if Pureprofile controlled Sparc since 1 July 2011.
2. **Acquisitions transaction costs –** Represents a pro forma adjustment to exclude the transaction costs incurred by Pureprofile in relation to the Sparc Acquisition.
3. **Non-recurring expenses –** Represents the pro forma adjustment for non-recurring expenses, 'one-off' business expenditure incurred by Pureprofile which are specific to circumstances at the time, and include such items as recruitment fees, consultant fees and salaries as a result of the transition of key management roles.
4. **IPO related remuneration costs –** This is to adjust historically for increases in senior management remuneration on completion of the Offer.
5. **Public company costs –** This is based on Pureprofile's estimate of the incremental annual costs that the Company will incur as a listed public company. These costs include incremental increases to Non-executive Director remuneration, Company Secretary costs, additional audit and legal costs, listing fees, share registry fees, Directors' and officers' insurance premiums as well as annual general meeting and annual report costs.
6. **IPO transaction costs –** Includes expenses of the Offer and Sparc acquisition directly attributable to the issue of Shares by the Company and the acquisition of Sparc and will be offset against equity raised in the Offer.
7. **Tax effect of pro forma adjustments –** The tax impact of adjustments 1 to 6 above has been reflected as part of this adjustment as appropriate.

5.5 Pro Forma Balance Sheet

The table below sets out the adjustments that have been made to the reviewed statutory historical balance sheet of Pureprofile as at 31 December 2014 to prepare the Pro Forma Balance Sheet for Pureprofile. These adjustments reflect certain pro forma adjustments including the acquisition of Sparc Media Group as if it had occurred on 1 July 2011, the impact of the operating and capital structure that will be in place following Completion of the Offer as if it had occurred or were in place as at 31 December 2014.

As at 31 December 2014	Statutory Historical Balance Sheet[1]	Pro Forma Adjust-ments[2]	Pre IPO Capital Raising[3]	Impact of the Offer[4]	Pro Forma Balance sheet
$'M					
Current Assets					
Cash and cash equivalents	0.7	(1.1)	2.2	10.0	11.7
Debtors	2.4	0.7	–	–	3.1
Prepayments	0.1	0.0	–	–	0.2
Total Current Assets	**3.2**	**(0.4)**	**2.2**	**10.0**	**15.0**
Non-Current Assets					
Plant and equipment	0.0	0.0	0.0	0.0	0.1
Intangible assets	1.8	1.0	–	–	2.8
Goodwill	–	5.6	–	–	5.6
Other assets	0.1	–	–	–	0.1
Total Non-Current Assets	**1.9**	**6.6**	**0.0**	**0.0**	**8.5**
Total Assets	**5.1**	**6.2**	**2.2**	**10.0**	**23.5**
Current Liabilities					
Creditors	2.5	0.5	–	1.5	4.6
Account Holder Liabilities	2.7	–	–	–	2.7
Other	–	0.1	–	–	0.1
Deferred Liabilities (Sparc Media)	–	5.6	–	–	5.6
Total Current Liabilities	**5.3**	**6.2**	**–**	**1.5**	**13.0**
Non-Current Liabilities					
Financial Liabilities	0.8	–	–	(0.2)	0.6
Other Non-Current Liabilities	–	–	0.2	–	0.2
Total Non-Current Liabilities	**0.9**	**–**	**0.2**	**(0.2)**	**0.9**
Total Liabilities	**6.2**	**6.2**	**0.2**	**1.3**	**13.9**
Net Assets/(Liabilities)	**(1.0)**	**–**	**1.9**	**8.7**	**9.6**
Shareholders Equity	6.9	–	1.9	8.7	17.5
Options reserve	0.1	–	–	–	0.1
Retained Earnings	(8.1)	–	–	–	(8.1)
Total Share Capital	**(1.0)**	**–**	**1.9**	**8.7**	**9.6**

Notes:

1. Reflects the actual reviewed balance sheet of Pureprofile as at 31 December 2014.
2. Reflects the pro forma adjustments related to the Sparc Acquisition (see Section 9.7).
3. Reflects the impact of the capital raising performed by Pureprofile in November 2014. Contributed equity increases by $2.5 million as a result of the proceeds of the pre-IPO capital raising which are received by Pureprofile through the issue of shares offset by the capital raising costs of $0.2 million applied against equity.
4. Contributed equity increases by $10 million as a result of the portion of the proceeds of the Offer which are received by Pureprofile through the issue of Shares offset by the IPO transaction costs $1.5 million applied against equity. In addition, equity increases by a further $0.2 million upon conversion of the Pilmore loan (Section 9.5).

5.6 Management discussion and analysis of Pro Forma Historical Financial Information

5.6.1 General factors affecting the operating results of Pro Forma Historical Financial Information

Below is a discussion of the main factors which affected Pureprofile's operations and relative financial performance in FY12, FY13, FY14 and HY15 and which Pureprofile expects may continue to affect it in the future. The discussion of these general factors is intended to provide a brief summary only and does not detail all factors that affect Pureprofile's historical operating and financial performance, nor everything that may affect Pureprofile's operations and financial performance in the future.

Revenue

The figure below sets out Pureprofile's pro forma consolidated revenue for the historical periods FY12, FY13, FY14 and HY15.

Year	FY12	FY13	FY14	HY15
$'M				
Research	7.9	7.5	7.3	3.6
Media	7.4	8.6	9.0	5.5
Platform	0.1	0.1	0.9	0.2
Total Revenue	**15.4**	**16.2**	**17.2**	**9.3**

An overview of the different revenue streams generated by Pureprofile and the key drivers of each revenue stream is set out below.

1. Research Revenue

Pureprofile earns revenue from online market research by matching client surveys with Pureprofile Account Holders and in general charging for a cost per completed survey. The cost per completed survey varies based on the complexity of targeting and length of survey. In addition, Pureprofile charges clients for set-up and support services and for survey programming, data manipulation and data analysis.

A Pureprofile online account contains a transaction history recording all of an Account Holder's interactions and payments earned for completing campaigns and surveys. Pureprofile passes on a portion of the fee to an Account Holder for each survey completed.

2. Media

Pureprofile offers a complementary set of media products and services across several verticals including:

- **managed campaign (programmatic trading) services –** whereby Pureprofile charges clients for purchasing ad inventory and managing the placement of ads on their behalf (at a marked up price to the ad inventory purchased or as a service fee);
- **performance marketing –** a range of online advertising is purchased by Pureprofile and revenue is derived from leads generated or on another cost-per-result basis;
- **programmatic media trading –** buying and reselling ad inventory programmatically;
- **publisher ad inventory yield optimisation –** Pureprofile optimises via programmatic advertising, the yield for a range of large and mid-size online publishers and charges a percentage of the improved yield;
- **online interactions including website visits (clicks) and short micro surveys –** Pureprofile charges marketers to send Pureprofile Account Holders to their website based on matching Profiles. This revenue stream is generated from Pureprofile Account Holders and it is intended to be expanded to other managed Profiles through current and new publisher relationships; and
- **publisher profile widgets and rich media campaign ad units –** Pureprofile has developed and will continue to develop a series of in-page widgets for publishers that enable Profiles to be created (managed and unclaimed) by Pureprofile independently and in conjunction with publishers. Rich media ad units both in-page and off-page have been and will continue to be developed to cater for video advertising and innovative Profile techniques. A future strategy for Pureprofile is to accelerate the growth of its own proprietary Profiles and to charge for the development and management of Profiles to both publishers and advertisers in addition to online interactions like targeted website visits and a cost-per-video-viewed.

3. Platform

For the purpose of this section of the Prospectus, the Platform revenue includes:

- monthly subscription fees paid by clients for access to the Pureprofile platform ; and
- various fees charged including setup and custom development for brand and integration for clients specific use.

It should be noted that the focus so far for the SaaS platform has been to support and differentiate the core online research business. Longer-term contracts have been sold for a diverse range of large brands in the automotive, supermarket and fast-moving consumer goods industries, primarily via existing research clients. The SaaS platform has been extended to cater for large publisher alliances like News Limited and it is intended to grow revenues via further SaaS platform alliances. This has been evidenced via the recent signing of an agreement with AA Smartfuel Limited, which manages a prominent rewards program in New Zealand in association with the Automobile Association of New Zealand.

Operating expenses

Key costs and expenses comprise:

- Cost of Sales –
  - Account Holder Fees: fees accrued for redemption by Pureprofile Account Holders for the proportion of revenue earned from online research surveys and polls;
  - Online survey set up fees including project management, survey programming, tech setup and coding;
  - Programmatic media trading ad inventory purchased for the placement of ads on behalf of clients;
  - These costs are largely commensurate and aligned to revenue volumes;
  - Pureprofile's Gross profit has tracked at a consistent average margin of approximately 50% from FY12 to HY15.
- Employee Costs –
  - Salaries, wages and other employment related costs of client support and delivery, sales, product development, finance, administration and management staff,
  - Pureprofile's management believes labour costs to be predominantly fixed in nature in the short term; and
- Other indirect costs – includes all other operating costs and expenses not captured above incorporating corporate overheads such as marketing and occupancy costs, legal and audit fees, license and contracting fees. These costs are primarily fixed in nature in the short term.

Depreciation and Amortisation

- **Depreciation –** predominantly relates to the depreciation of IT infrastructure namely desktop and laptop computers, the majority of which are depreciated on a three year straight line basis.
- **Amortisation –** relates to amortisation of the capitalisation of labour costs associated with the product development of the Pureprofile platform, as well as the amortisation of acquired intangibles.

Foreign exchange

The functional currency of Pureprofile is the Australian Dollar. However, we note a significant portion of Pureprofile's revenues and expenses are denominated in various international currencies, namely US Dollars, Euros, British Pounds, Indian Rupees and Polish Zloty. The non-Australian dollar denominated revenues effectively act as a partial natural hedge against non-Australian dollar denominated expenses. Foreign exchange gains and losses recognised in the income statement arise from the translation of transactions in currencies other than the functional currencies of Pureprofile. The sensitivity of Pureprofile's pro forma forecast NPAT to changes in the exchange rate between various international currencies to the Australian dollar is set out in Section 5.8.

5.6.2 Pro Forma Historical Results: FY13 compared to FY12, FY14 compared to FY13 and HY15 (annualised) compared to FY14

The table below sets out the summary Pro Forma Historical Results for FY12, FY13, FY14 and HY15 and comparison to previous period for FY13, FY14 and HY15.

	Pro Forma Historical Results					
Year	**FY12**	**FY13**	**Change %**	**FY14**	**Change %**	**HY15**
$'M						
Revenue	15.4	16.2	6%	17.2	6%	9.3
Cost of Sales	7.7	7.6	(2%)	8.1	6%	5.3
Gross Profit	**7.7**	**8.6**	**13%**	**9.1**	**5%**	**3.9**
Employee Costs	4.5	4.9	9%	6.7	37%	2.5
Other Costs	3.5	3.2	(9%)	3.8	18%	2.2
Total OPEX	**8.0**	**8.1**	**1%**	**10.5**	**29%**	**4.7**
Total other income	0.2	0.4	143%	0.3	(9%)	0.1
EBITDA	**(0.2)**	**0.9**	**575%**	**(1.1)**	**(219%)**	**(0.7)**
Depreciation	0.2	0.1	(26%)	0.1	(33%)	0.0
Amortisation	0.4	0.5	32%	0.7	30%	0.4
EBIT	**(0.8)**	**0.2**	**126%**	**(1.9)**	**(997%)**	**(1.1)**
Net interest (expense)/revenue	0.0	0.0	(57%)	0.0	(192%)	0.0
(Loss)/Profit before tax	**(0.8)**	**0.2**	**129%**	**(1.9)**	**(950%)**	**1.1**
Income tax (expense)/benefit	0.1	0.2	35%	0.5	178%	0.3
NPAT	**(0.6)**	**0.4**	**164%**	**(1.4)**	**(449%)**	**(0.8)**
NPAT(A)	**(0.4)**	**0.7**	**292%**	**(1.1)**	**(265%)**	**(0.7)**

Note: No comparison is calculated for HY15 as no meaningful comparison available

Revenue

Total revenue increased by 6% to $16.2 million in FY13 from $15.4 million in FY12. The key factors affecting Pureprofile's revenue growth in FY13 were:

- The increase in programmatic marketing contributed towards an increase in revenue from FY12.

Total revenue increased by 6% to $17.2 million in FY14 from $16.2 million in FY13. The key factors affecting Pureprofile's revenue growth in FY14 included:

- a slight decline in research revenue in FY14 which was offset by an increase in platform revenue with blue chip clients producing recurring platform license fees and development fees; and
- media revenue increasing with continued growth in programmatic media revenue.

Gross profit

Gross profit margin increased from 50% in FY12 to 53% in FY14, largely due to an increase in managed services from premium agencies in Sparc.

Operating Expenses

Total operating expenses increased by 1% to $8.1 million in FY13 from $8.0 million in FY12, primarily driven by:

- Increases in employee costs, including annual salary increases and the full year impact of additional staff; and
- The increases in employee costs were mostly offset by a reduction in other costs.

Total operating expenses increased by 29% to $10.5 million in FY14 from $8.1 million in FY13 resulting from:

- Increases in employee costs as a result of:
  - A shift to programmatic media, Sparc Media established the Poland and India operations increasing employee costs in FY14;
  - To leverage further growth in programmatic media and Future Students, Sparc Media also increased headcount in Australia to improve trading and programmatic media capabilities;
  - Pureprofile expanded its US and UK headcount increasing employee;
  - Pureprofile undertaking further investment in technical and product development resources to facilitate ongoing enhancements in the Pureprofile technology and platform to service incremental growth in Platform revenue; and
- During FY14 Sparc had incurred expenses over $0.5 million building an in-house technology platform that facilitates the buying and selling of programmatic rich media and inventory. The platform forms the core of the Adsparc business providing premium rich media ad inventory and the ability for users to manage their own rich media programmatic campaigns.
- Increase in other costs commensurate with an increase in headcount to facilitate growth opportunities in programmatic media revenue and the commercialisation of platform revenue particularly in expanding the US and UK markets.

EBITDA

EBITDA increased by 575% in FY13 as a result of an increase in Gross profit margin from 50% in FY12 to 53% in FY13. The commensurate revenue growth of 6% further contributed to EBITDA growth in excess of $1 million in FY13.

In FY14, the decline in EBITDA from FY13 to an operating loss of $1.1 million was a result of the investment in new staff and new markets as referred to in this section. Furthermore, profitability was negatively impacted in FY14 with the opening of offices in India and Poland, the loss of the Microsoft MSN account and the focus on the development of the Sparc rich media technology platform, Adsparc.

5.6.3 Pro Forma Cash Flow Statements: FY13 compared to FY12, FY14 compared to FY13 and HY15 (annualised) compared to FY14

The table below sets out the summary Pro Forma Cash Flow Statements for FY12, FY13, FY14 and HY15 and comparison to previous period for FY13, FY14 and HY15.

	Pro Forma Cash Flow Statements					
Year Ending 30 June	**FY12**	**FY13**	**Change %**	**FY14**	**Change %**	**HY15**
$'M						
EBITDA	**(0.2)**	**0.9**	**575%**	**(1.1)**	**(219%)**	**(0.7)**
Non-cash items in EBITDA	–	–	–	–	–	–
Change in working capital	0.3	0.0	97%	(1.6)	17778%	(0.9)
Capitalised development costs	(0.7)	(0.7)	3%	(0.8)	(24%)	(0.7)
Operating free cash flow before capital expenditure	**(0.6)**	**0.2**	**141%**	**(3.5)**	**1558%**	**(2.3)**
Acquisition of property, plant and equipment	(0.0)	(0.0)	3%	(0.0)	12%	(0.0)
Operating cash flow after capital expenditure	**(0.6)**	**0.2**	**132%**	**(3.5)**	**1877%**	**(2.3)**
Equity raising cash flow						
Proceeds from issue of shares	–	–	–	–	–	2.5
Costs associated with capital raising	–	–	–	–	–	(0.1)
Net capital raising cash flow	–	–	–	–	–	2.4

Note: No comparison is calculated for HY15 as no meaningful comparison available

Overall operating free cash flow before capital expenditure increased between FY13 and FY12 driven by the increasing EBITDA.

The decline in operating free cashflow before capital expenditure in FY14 was a result of the increase in operating expenses incurred in establishing new businesses in Poland and India and expanding the existing businesses in the US and UK.

Capital expenditure remained relatively consistent between FY13 and FY14.

5.7 Forecast Financial Information

The Forecast Financial Information has been prepared based on the significant accounting policies adopted by Pureprofile which are in accordance with Australian Accounting Standards and are disclosed in Appendix 1. It is assumed that there will be no changes to Accounting Standards, the Corporations Act or other financial reporting requirements that may have a material effect on Pureprofile's accounting policies during FY15 and FY16 (the **Forecast Period**).

The Forecast Financial Information is based upon various best estimate assumptions concerning future events, including those set out below. In preparing the Forecast Financial Information, Pureprofile has undertaken an analysis of the historical performance and trends of various revenue streams and applied assumptions in order to forecast future performance for FY15 and FY16. Pureprofile believes that it has prepared the Forecast Financial Information with due care and attention and considers all assumptions when taken as a whole to be reasonable at the time of preparing this prospectus, including each of the general assumptions set out in Section 5.7.1.

However, actual results are likely to vary from the forecasts and any variation may be materially positive or negative. The assumptions upon which the Forecast Financial Information are based are by their nature subject to significant uncertainties and contingencies, many of which are outside the control of Pureprofile and its Directors, and are not reliably predictable.

Accordingly, none of Pureprofile, its Directors, or any other person can give any assurance that the Forecast Financial Information or any prospective statement contained in this Prospectus will be achieved. Events and outcomes might differ in amount and timing from the assumptions, which may result in a material consequential impact on the Forecast Financial Information.

The assumptions set out below should be read in conjunction with the sensitivity analysis set out in Section 5.8 the risk factors set out in Section 7 and the Investigating Accountant's Report on the Forecast Financial Information set out in Section 6. A reconciliation of the Pro Forma Forecast Results to the Statutory Forecast Results is set out in Section 5.3.3.

5.7.1 General assumptions

In preparing the Forecast Financial Information, the following general best estimate assumptions have been adopted:

- no material change in the competitive operating environment in which Pureprofile operates;
- no material changes in the Australian Commonwealth, state or local government legislation, tax legislation, regulatory legislation, regulatory requirements or government policy that will have a material impact on the financial performance of cash flows, financial position, accounting policies, financial reporting or disclosure of Pureprofile during the Forecast Period;
- no material changes in the tax legislation, regulatory legislation, regulatory requirements or government policy in the foreign jurisdictions in which Pureprofile has sales and operations that will have a material impact on the financial performance of cash flows, financial position, accounting policies, financial reporting or disclosure of Pureprofile during the Forecast Period;
- no significant deviation from current market expectations of general economic and business conditions including levels of inflation, employment and interest rates relevant to the advertising industry for the Forecast Period;
- no material changes in applicable Australian Accounting Standards, other mandatory professional reporting requirements or the Corporations Act which have a material effect on Pureprofile's financial performance, financial position, accounting policies, financial reporting or disclosure;
- no material contingent liabilities or legal claims will arise or be settled to the detriment of Pureprofile;
- no material changes in key personnel;
- no material cash flow, income statement or financial position impact in relation to litigation or dispute (existing or otherwise);
- no material acquisitions or disposals of businesses, other than the Sparc Acquisition;
- no material changes to Pureprofile's corporate and funding structure other than as set out in, or contemplated by, this Prospectus;
- no material disruptions to the continuity of operations of Pureprofile nor other material changes in its business;
- no material amendment to any material agreement or arrangement relating to Pureprofile's business other than as set out in, or contemplated by, this Prospectus;
- none of the risks listed in Section 7 eventuate, or if they do, none of them has a material adverse impact on the operations of Pureprofile;
- foreign exchange rates are forecast to remain consistent. Key exchange rates used by the Group's management are USD/AUD of $0.77 and GBP/AUD of 0.51; and
- the Offer proceeds are received in accordance with the timetable and terms outlined in this Prospectus.

5.7.2 Specific assumptions

Pro Forma Historical Results and Pro Forma Forecast Results: FY16 compared to FY15 and FY15 compared to FY14

The Pro Forma Forecast Results for the twelve month period ending 30 June 2015 have been prepared taking into consideration the reviewed Pro Forma Historical Results for the six months ended 31 December 2014, the unaudited trading results of Pureprofile to the end of March 2015 and management's forecasts for April to June 2015.

The Pro Forma Forecast Results for the year ending 30 June 2016 have been prepared taking into consideration the performance of Pureprofile in FY14 and FY15 along with growth assumptions based upon current run-rates and trends, opportunity pipelines, historical and industry performance metrics and industry growth forecasts.

The table below sets out the Pro Forma Forecast Results for FY15 compared to the Pro Forma Historical Results for FY14 and the Pro Forma Forecast Results for FY16 compared to the Pro Forma Forecast Results for FY15.

	Pro Forma Historical Results and Pro Forma Forecast Results				
Year	**FY14**	**FY15**	**Change %**	**FY16**	**Change %**
$'M					
Research	7.3	8.5	16%	11.1	31%
Media	9.0	11.6	29%	16.2	40%
Platform	0.9	0.5	(44%)	0.8	60%
Total Revenue	**17.2**	**20.6**	**20%**	**28.1**	**36%**
Cost of Sales	8.1	10.9	35%	14.1	29%
Gross Profit	**9.1**	**9.7**	**7%**	**14.0**	**45%**
Employee Costs	6.7	6.0	(10%)	7.5	24%
Other Costs	3.8	3.7	(3%)	4.1	12%
Total OPEX	**10.5**	**9.7**	**(8%)**	**11.6**	**20%**
Total other income	0.3	0.3	(19%)	–	(100%)
EBITDA	**(1.1)**	**0.3**	**126%**	**2.5**	**781%**
Depreciation	0.1	0.0	(67%)	0.0	2%
Amortisation	0.7	1.0	44%	1.4	36%
EBIT	**(1.9)**	**(0.8)**	**59%**	**1.0**	**232%**
Net interest (expense)/revenue	0.0	(0.1)	509%	0.1	(178%)
(Loss)/Profit before tax	**(1.9)**	**(0.9)**	**55%**	**1.1**	**227%**
Income tax (expense)/benefit	(0.5)	0.4	(20%)	(0.2)	(153%)
NPAT	**(1.4)**	**(0.5)**	**67%**	**0.9**	**292%**
NPAT(A)	**(1.1)**	**(0.2)**	**84%**	**1.1**	**750%**

Revenue

The FY15 revenues are forecast to be $20.6 million, which represents a $3.4 million (or 20%) increase on FY14 revenue of $17.2 million. Management note the revenue for the six-month period to 31 December 2014 amounted to $9.3 million, which resulted in an 11% increase on revenue for the corresponding six month period to 31 December 2013 ($8.4 million).

The increase in revenue in FY15 is attributable to the following:

- Recent capital investment in the Company has resulted in increased sales and operational capabilities as a result of increased brand awareness and product penetration. As noted above, the revenue for the six month period to 31 December 2014 exceeds the revenue generated in the corresponding six month period, and this is expected to continue into the second half of FY15.
- The Sparc business in Poland was established during FY14, and as such only 2 months' operations contributed to FY14 performance. The FY15 forecasts allow for the full year impact of the Poland operations, which have shown continued growth since FY14. Similarly, the Sparc Indian operations were established in FY13, and the FY15 forecasts incorporate continued growth from increased sales teams and headcount.
- Sparc's media trading business has shifted focused towards higher value, higher quality ad inventory. The FY15 forecasts incorporate efficiencies gained from the revised strategy, as well as improvements stemming from automation.
- The FY15 forecasts also allow for incremental growth from existing clients which is consistent with historical experiences. Additionally, the forecasts also incorporate the addition of new business within the platform licensing business.

With regard to FY16 forecasts, revenue is forecast to increase from FY15 levels to $28.1 million, representing a 36% increase. The key assumptions driving the increase in revenue include:

- Pureprofile has invested in additional sales and account management staff in the first-half of FY15 across a number of key markets in Australia, India, US and UK. These staff members will continue driving an increase in the number of campaigns and expand the sample size of Profiles in the Research business.
- The rebuilding of Sparc's Australian managed campaign services sales team will allow for a focus to regenerate revenue levels consistent with previous historical performance. The Australian business previously witness constraints in human resources, resulting in reductions in revenue. Management are of the belief this is achievable given the growth in the programmatic market, as well as the stronger product offering as part of Pureprofile.
- Sparc's performance marketing business was previously reliant on a major customer. However, the business has focused on diversifying its customer base and has resulted in the addition of new clients in FY15. The FY16 forecasts allow for revenue growth consistent with prior historical achievements.
- The platform revenue forecasts allow for additional development fees as a result of new business. This new business is based on a pipeline of potential new clients of which tenders are submitted.

The FY16 forecasts do not include increases in ad or research revenue from the Publisher licensing deals with News Corporation or AA Smartfuel (Automotive Association of New Zealand).

Gross Profit

The FY15 gross margin is forecast to be approximately 47%, which is a decrease to the 53% gross margin achieved in FY14. The reduction in gross margin is largely attributable to lower gross margins associated with the wholesale rich media business. However, this is expected to be offset by the reduction in operating expenses in comparison to FY14.

Pureprofile's gross profit margin is forecast to be 50% in FY16 and is consistent with gross profit margins achieved historically between FY12 and FY14. The gross profit margin of 50% represents a 6.4% increase on FY15, mainly in regards to the shift in higher value, higher quality research and media trading revenues.

Additionally, the FY16 forecasts assume the cost of account holder fees for survey participation, survey setup and programming costs, as well as the average cost of ad inventory purchased remain consistent.

Management believe these assumptions are reasonable and are based upon industry knowledge, historical performance, as well as trends and supply contracts.

Operating Expenses

The FY15 forecasts show a decline of 8% in operating expenses, with a forecast of $9.7 million. This is largely impacted by the following:

- The FY15 forecasts include approximately 6 months' of employee costs stemming from the additional sales, operations and product development staff in Australia, India, Poland and Greece. These staff are used to implement growth strategies in those regions.

  The salaries have been forecast on a bottom-up approach and include the on-costs in compliance with the jurisdictions in which the Company has operations.

The FY16 operating expenses will increase by 20% in comparison to FY15 to $11.6 million and is driven by the following:

- The full years' impact of employment costs associated with additional staff hired in FY15, as well as a further 7 sales and account delivery staff in the US, UK, New Zealand and Australia to support revenue growth.
- Indirect costs have been based on historical costs with increases consistent with historical trends. The forecasts also include additional expenditure in relation to marketing and campaign costs, which will also result in increases in internet content delivery, server hosting fees and other general operating expenses.

The operating expenses also include the costs associated with being a public listed company, and include directors' fees, ASX listing fees, company secretarial and registry fees, as well as audit and legal fees.

Pureprofile anticipates expanding its existing global footprint by investing up to $0.4 million from the proceeds of the Offer to expand into the existing North America and Europe markets. In addition, following the signing of an agreement with AA Smartfuel Limited of New Zealand in May 2015, the Company will establish a presence in the New Zealand market and has identified key personnel to manage and deliver the roll-out of the Pureprofile-AA Smartfuel Limited panel from Quarter 1 FY16.

EBITDA

Pureprofile's focus is on increasing revenue whilst maintaining gross margins. Management's focus in FY16 will be surrounding the managing of costs, with EBITDA forecast to increase to $0.3 million and $2.5 million in FY15 and FY16 respectively.

5.7.3 Pro Forma Historical Cash Flow Statements and Pro Forma Forecast Cash Flow Statement: FY16 compared to FY15 and FY15 compared to FY14

The table below sets out the summary of the Pro Forma Historical Cash Flow Statement for FY14 and the Pro Forma Forecast Cash Flow Statements for FY15 and FY16.

The Company forecasts operating free cash flow before capital expenditure will increase by $1.1 million in FY15 reflecting the growth in EBITDA of $1.4 million from FY14 to FY15. Forecast capital expenditure for FY15 is expected to remain at similar levels to FY14.

Proceeds from the issue of shares reflects the Company's $2.5 million (before costs) Pre IPO capital raising in November 2014. The capital raising provided the Company with funds to invest in an leverage growth from Pureprofile's technology and platform.

In FY16, forecast EBITDA of $2.5 million is the key driver in the improvement in operating free cash before capital expenditure.

	Pro Forma Historical and Pro Forma Forecast Cash Flow Statements				
Year	**FY14**	**FY15**	**Change %**	**FY16**	**Change %**
$'M					
EBITDA	(1.1)	0.3	126%	2.5	781%
Non-cash items in EBITDA	–	–	–	–	–
Change in working capital	(1.6)	(1.1)	30%	(1.1)	(1%)
Capitalised development costs	(0.8)	(1.6)	88%	(1.8)	18%
Operating free cash flow before capital expenditure	**(3.5)**	**(2.4)**	**32%**	**(0.5)**	**79%**
Acquisition of property, plant and equipment	(0.0)	(0.0)	–	(0.0)	–
Operating cash flow after capital expenditure	**(3.5)**	**(2.4)**	**32%**	**(0.5)**	**79%**
Equity raising cash flow					
Proceeds from issue of shares		**2.5**		**10.0**	
Costs associated with capital raising		(0.2)		(1.5)	
Sparc Media acquisition		–		(3.0)	
Net capital raising cash flow		**2.4**		**5.5**	

5.8 Sensitivity analysis

The Forecast Financial Information included in Sections 5.3, 5.4 and 5.7 is based upon a number of estimates and assumptions as described in Section 5.7. These estimates and assumptions are subject to business, economic and competitive uncertainties and contingencies, many of which are beyond the control of Pureprofile, the Directors and management. These estimates are also based on assumptions with respect to future business decisions, which are subject to change.

Set out below is a summary of the key sensitivity of the Pro Forma Forecast Results for FY16 to changes in a number of key assumptions. The changes in the key assumptions set out in the sensitivity analysis are intended to provide a guide only and are not intended to be indicative of the complete range of variations that may be experienced. Variations in actual performance could exceed the ranges shown. For the purpose of this analysis, each sensitivity is presented in terms of its impact on FY16 pro forma forecast EBITDA and NPAT of $2.5 million and $0.9 million respectively and is set out below.

Summary of key sensitivities

Assumption	Increase/ Decrease	FY16 EBITDA Impact $	FY16 EBITDA Impact %	FY16 NPAT Impact $	FY16 NPAT Impact %
Revenue	+/- 5.0%	1.4	57.4%	1.1	129.9%
Revenue	+/- 10.0%	2.8	114.8%	2.3	259.7%
AUD appreciation/depreciation	+/- 5.0%	0.2	7.0%	0.1	16.8%
AUD appreciation/depreciation	+/- 10.0%	0.4	14.9%	0.3	32.8%
USD/AUD exchange rate	+/- 5.0%	0.2	7.3%	0.1	15.4%
USD/AUD exchange rate	+/- 10.0%	0.4	15.3%	0.3	32.6%

Care should be taken in interpreting the key sensitivities. The estimated impact of changes in each of these assumptions has been calculated in isolation from changes in other assumptions, in order to illustrate the likely impact on the Pro Forma Forecast Results for FY16. In reality the effects of movements may be offset or compounded by movements in other variables. Furthermore in the normal course of business, Management would be expected to respond to any adverse change in these key variables to minimise the net effect on financial performance.

Sensitivity analysis has not been performed on the Pro Forma Forecast Result for FY15 as only the six month period from 1 January to 30 June 2014 is a forecast. The six month period to 31 December 2014 is the historical result.

5.9 Dividend policy

The Company does not expect to pay dividends in relation to FY15 or FY16. Any profits will be reinvested in the business in order to maximise growth.

It is anticipated that significant expenditure will be incurred as Pureprofile invests in the development of its recently launched Targeted Advertising Sales division (including recruitment of additional advertising sales staff, building Profiles of News Limited's "Connect" program members and enhancing the Profile data of its Account Holders). These activities, together with the expansion of its offshore offices, are expected to utilise all surplus cash generated by the Company in the forecast period following the date of this Prospectus. Accordingly, the Company does not expect to declare any dividends during that period.

Any future determination as to the payment of dividends will be at the discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors.

No assurances can be given about payment of any dividend or the level of franking on any such dividend.

The Constitution authorises the Board, on any terms and at their discretion, to establish a Dividend Reinvestment Plan (DRP) under which dividends payable by the Company are reinvested by way of subscription for Shares in the Company. The Constitution also authorises the Board, on any terms and at their discretion, to establish a Dividend Election Plan under which any Shareholder may elect that the dividends payable by the Company be reinvested in whole or in part by a subscription for Shares at a price to be determined by the Board from time to time.

Investors who are not residents of Australia and who acquire Shares may be subject to Australian withholding tax on dividends or other distributions paid in respect of the Shares. Prospective investors who are not residents of Australia should consult with their own tax advisers regarding the application of the Australian withholding or other taxes to their particular situations as well as any additional tax consequences resulting from purchasing, holding or disposing of the Shares.

5.10 Capitalisation and indebtedness

The table below sets out:

- consolidated cash, current loans and borrowings, and total capitalisation of the Group as at 31 December 2014; and
- consolidated cash, current loans and borrowings, non-current loans and borrowings, and total capitalisation of Pureprofile as adjusted after giving effect to the impact of the Offer as if the transaction had occurred on 31 December 2014.

Pro forma consolidated indebtness as at 31 December 2014	pro forma $M
cash and cash equivalents	11.7
Current loans and borrowings	–
Non-current loans and borrowings	–
Other liabilities	(13.9)
Total indebtness	**(2.2)**
Issued capital	17.5
Reserves	0.1
retained profits	(8.1)
Total equity	**9.6**
Total capitalisation and indebtedness	**7.4**

5.11. Foreign exchange hedging policy

A significant proportion of revenue of Pureprofile is charged in currencies other than Australian dollars, including US dollars and Euros. In addition, a proportion of expenses of Pureprofile are incurred in currencies other than Australian dollars, including US dollars and Euros. The net foreign exchange exposure to the currencies is not hedged.

The Board will periodically review the foreign exchange hedging policy.

6.

Investigating Accountant's Report

6. INVESTIGATING ACCOUNTANT'S REPORT

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19 June 2015

The Directors
Pureprofile Ltd
Level 1
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Surry Hills 2010

The Directors
Secondary Offering Pty Ltd
Level 1
20 Hunter Street
Sydney 2000

Investigating Accountant's Report and Financial Services Guide

Part 1: Independent Limited Assurance Report on Pureprofile Ltd Pro Forma Historical and Forecast Financial Information

Introduction

Moore Stephens Sydney Corporate Finance Pty Limited (*Moore Stephens*) has been engaged by Pureprofile Ltd (*Company*) to prepare this report for inclusion in the replacement prospectus to be dated 19 June 2015 (*Prospectus*), and to be issued by the Company and Secondary Offering Pty Ltd, in respect of the Company's proposed initial public offering of its shares and listing on the ASX.

Expressions defined in the Prospectus have the same meaning in this report.

The nature of this report is such that it can only be issued by an entity which holds an Australian Financial Services Licence (*AFSL*) under the *Corporations Act 2001*. Moore Stephens holds the appropriate AFSL authority under the *Corporations Act 2001*. Refer to our Financial Services Guide included as Part 2 of this Report.

Scope

Moore Stephens has been requested to prepare this report covering the pro forma historical and forecast financial information described below and disclosed in the Prospectus.

The pro forma historical and forecast financial information is presented in an abbreviated form in the Prospectus insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

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Review of Pro Forma Historical Financial Information

The pro forma historical financial information comprises the pro forma, unaudited historical Financial Information:

- pro forma consolidated historical cash flow statements for the years ended 30 June 2012, 2013 and 2014 and for the half-year ended 31 December 2014;
- pro forma consolidated historical income statements for the years ended 30 June 2012, 2013 and 2014 and for the half-year ended 31 December 2014; and
- pro forma consolidated historical balance sheet as at 31 December 2014.

as set out in Section 5.1 of the Prospectus (together, the *Pro Forma Historical Financial Information*).

The Pro Forma Historical Financial Information has been derived from the historical financial information of the Company, after adjusting for the effects of pro forma adjustments described in Sections 5.3.3 and 5.4 of the Prospectus. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies applied to the historical financial information and the events or transactions to which the pro forma adjustments relate, as described in Section 5.2 and Appendix 1 of the Prospectus, as if those events or transactions had occurred as at the date of the historical financial information. Due to its nature, the Pro Forma Historical Financial Information does not represent the Company's actual or prospective financial position, financial performance, and/or cash flows.

The historical financial information has been extracted from the following actual historical financial information:

- the audited financial accounts of Pureprofile Australia Pty Limited for the years ended 30 June 2012, 2013 and 2014, by Moore Stephens Sydney Corporate Finance Pty Limited in accordance with Australian Auditing Standards; and
- the audited financial accounts of Pureprofile UK Ltd for the years ended 30 June 2012, 2013 and 2014, by Moore Stephens LLP in accordance with International Standards on Auditing (UK and Ireland).;
- the reviewed financial accounts of Pureprofile US Inc, Funbox India Private Limited, Sparc Media sp.z.o.o, and the Income Statements of the Sparc Australian businesses for the years ended 30 June 2012, 2013 and 2014, by Moore Stephens Sydney Corporate Finance Pty Limited in accordance with Australian Auditing Standards on Review Engagements; and
- the reviewed financial accounts of Pureprofile Australia Pty Limited, Pureprofile UK Ltd, Pureprofile US Inc, Funbox India Private Limited, Sparc Media sp.z.o.o, and the Income Statements of the Sparc Australian businesses for the six months ended 31 December 2014, by Moore Stephens Sydney Corporate Finance Pty Limited in accordance with Australian Auditing Standards on Review Engagements.

All the abovementioned audit opinions and review conclusions were unmodified.

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Review of Statutory Forecast Financial Information

The statutory consolidated forecast income statement and statutory consolidated forecast cash flow statement of the Company for the years ending 30 June 2015 and 2016 are described in Sections 5.3 and 5.4 of the Prospectus. The directors' best-estimate assumptions underlying the Statutory Forecast Financial Information are described in Section 5.7 of the Prospectus. The stated basis of preparation used in the preparation of the Statutory Forecast Financial Information being the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies.

Review of Pro Forma Forecast Financial Information

The pro forma consolidated forecast income statements and pro forma consolidated cash flow statements of the Company for the years ending 30 June 2015 and 2016, described in Sections 5.3 and 5.4 of the Prospectus. The Pro Forma Forecast Financial Information has been derived from the Statutory Forecast Financial Information, after adjusting for the effects of the pro forma adjustments described in Sections 5.3.3 and 5.4 of the Prospectus. The stated basis of preparation used in the preparation of the Pro Forma Forecast Financial Information, being the recognition and measurement principles contained in Australian Accounting Standards applied to the forecast and the events or transactions to which the pro forma adjustments relate, as described in Sections 5.2 and Appendix 1 of the Prospectus, as if those events or transactions had occurred as at 1 July 2011. Due to its nature, the Pro Forma Forecast Financial Information does not represent the Company's actual prospective financial performance, and/or cash flows for the years ending 30 June 2015 and 2016.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of:

- the Pro Forma Historical Financial Information, including its basis of preparation and the selection and determination of pro forma adjustments made to the statutory historical financial information and included in the Pro Forma Historical Financial Information.
- the Statutory Forecast Financial Information, including its basis of preparation and the best-estimate assumptions on which the directors' forecast is based and the sensitivity of the directors' forecasts to changes in key assumption; and
- the Pro Forma Forecast Financial Information, including its basis of preparation and the selection and determination of the pro forma adjustments made to the Statutory Forecast Financial Information and included in the Pro Forma Forecast Financial Information.

This includes responsibility for its compliance with applicable laws and regulations and for such internal controls as the directors determine are necessary to enable the preparation of historical financial information, pro forma historical financial information, a forecast and a pro forma forecast that are free from material misstatement.

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Our responsibility

Our responsibility is to express a limited assurance conclusion on the Pro Forma Historical Financial Information, the Statutory Forecast Financial Information and Pro Forma Forecast Financial Information, the best-estimate assumptions underlying the Statutory Forecast Financial Information and Pro Forma Forecast Financial Information, and the reasonableness of the Statutory Forecast Financial Information and Pro Forma Forecast Financial Information themselves, based on our review. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

Conclusions

Pro Forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information, comprising:

- the pro forma historical consolidated income statements of the Company for the years ended 30 June 2012, 2013 and 2014, and half-year ended 31 December 2014, as set out in Section 5.3 of the Prospectus;
- the pro forma consolidated historical cash flow statements of the Company for the years ended 30 June 2012, 2013 and 2014 and half-year ended 31 December 2014 as set out in Section 5.4 of the Prospectus; and
- the pro forma consolidated historical balance sheet of the Company as at 31 December 2014, as set out in Section 5.5 of the Prospectus,

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 5.2 of the Prospectus being the recognition and measurement principles contained in Australian Accounting Standards and the Company adopted accounting policies applied to the Pro Forma Historical Financial Information and the events or transactions to which the pro forma adjustments relate, as described in Section 5.2 and Appendix 1 of the Prospectus, as if those events or transactions had occurred as at the date of the Pro Forma Historical Financial Information.

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Statutory Forecast Financial Information

Based on our review, which is not an audit, nothing has come to our attention which causes us to believe that:

- the directors' best-estimate assumptions used in the preparation of the statutory consolidated forecast income statements and statutory consolidated forecast cash flow statements of the Company for the year ending 30 June 2015 and 2016 do not provide reasonable grounds for the Statutory Forecast Financial Information; and
- in all material respects, the Statutory Forecast Financial Information:
  - is not prepared on the basis of the directors' best-estimate assumptions as described in Section 5.7 of the Prospectus; and
  - is not presented fairly in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the entity's adopted accounting policies; and
- the Statutory Forecast Financial Information itself is unreasonable.

Pro Forma Forecast Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that:

- the directors' best-estimate assumptions used in the preparation of the pro forma consolidated forecast income statements and pro forma consolidated forecast cash flow statements of the Company for the years ending 30 June 2015 and 2016 do not provide reasonable grounds for the Pro Forma Forecast Financial Information;
- in all material respects, the Pro Forma Forecast Financial Information:
  - is not prepared on the basis of the directors' best-estimate assumptions, as described in Section 5.7 of the Prospectus;
  - is not presented fairly in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the company's adopted accounting policies, applied to the Statutory Forecast Financial Information and the pro forma adjustments as if those adjustments had occurred as at the date of the forecast; and
- the Pro Forma Forecast Financial Information itself is unreasonable.

Statutory Forecast Financial Information and Pro Forma Forecast Financial Information

The Statutory Forecast Financial Information and Pro Forma Forecast Financial Information have been prepared by management and adopted by the Directors in order to provide prospective investors with a guide to the potential financial performance of the Company for the years ending 30 June 2015 and 2016. There is a considerable degree of subjective judgment involved in preparing forecasts since they relate to events and transactions that have not yet occurred and may not occur. Actual results are likely to be different from the Statutory Forecast Financial Information and Pro Forma Forecast Financial Information since anticipated events or transactions frequently do not occur as expected and the variation may be material. The Directors' best-estimate assumptions on which the Statutory Forecast Financial Information and Pro Forma Forecast Financial Information are based relate to future events and/or transactions that management expect to occur and actions that

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management expect to take and are also subject to uncertainties and contingencies, which are often outside the control of the Company. Evidence may be available to support the Directors' best-estimate assumptions on which the Statutory Forecast Financial Information and Pro Forma Forecast Financial Information are based however such evidence is generally future-oriented and therefore speculative in nature. We are therefore not in a position to express a reasonable assurance conclusion on those best-estimate assumptions, and accordingly, provide a lesser level of assurance on the reasonableness of the Directors' best-estimate assumptions. The limited assurance conclusion expressed in this report has been formed on the above basis.

Prospective investors should be aware of the material risks and uncertainties in relation to an investment in the Company, which are detailed in the Prospectus, and the inherent uncertainty relating to the Statutory Forecast Financial Information and Pro Forma Forecast Financial Information. Accordingly, prospective investors should have regard to the investment risks and sensitivities as described in Section 7 of the Prospectus. The sensitivity analysis described in Section 5.8 of the Prospectus demonstrates the impact on the Pro Forma Forecast Financial Information of changes in key best-estimate assumptions. We express no opinion as to whether the Statutory Forecast Financial Information and Pro Forma Forecast Financial Information will be achieved.

The Statutory Forecast Financial Information and Pro Forma Forecast Financial Information have been prepared by the Directors for the purpose of inclusion in Prospectus to provide prospective investors with a guide to the potential financial performance of the Company for the years ending 30 June 2015 and 2016. We disclaim any assumption of responsibility for any reliance on this report, or on the Statutory Forecast Financial Information and Pro Forma Forecast Financial Information to which it relates, for any purpose other than that for which it was prepared.

Restrictions on use

Without modifying our conclusions, we draw attention to Section 5.2 of the Prospectus, which describes the purpose of the Financial Information, being our inclusion in the public document. As a result, the Financial Information may not be suitable for use for another purpose.

Investors should consider the statement of investment risks set out in the Prospectus, in Section 7.

Sources of Information

We have assumed, and relied on representations from the Directors and management of the Company and other parties as considered necessary during the course of our analysis, that all material information concerning the prospects and proposed operations of the Company have been disclosed to us and the information provided to us for the purpose of the work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

Independence or Disclosure of Interest

Moore Stephens has no financial or other interest that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion on the matters that are subject of this Report for which normal professional fees will be received.

Neither Moore Stephens Sydney Corporate Finance Pty Ltd, Moore Stephens Sydney Wealth Management Pty Limited, any Director thereof, nor any individual involved in the preparation of the

MOORE STEPHENS

Report have any financial interest in the outcome of this Offer, other than a fee in connection with the preparation of our Report for which normal professional fees will be received.

Our associated partnership, Moore Stephens Sydney is the auditor of Pureprofile and from time to time, associated entities also provides Pureprofile with certain other professional services for which normal professional fees are received.

Liability

Moore Stephens has consented to the inclusion of this Report in the Prospectus in the form and context in which it is included. At the date of this Report, this consent has not been withdrawn.

The liability of Moore Stephens is limited to the inclusion of this Report in the Prospectus. Moore Stephens has not authorised the issue of the Prospectus. Accordingly, Moore Stephens makes no representation regarding, and takes no responsibility for, any other statements or material in or omissions from, the Prospectus.

General advice warning

This report has been prepared, and included in the Prospectus, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to take the place of professional advice and investors should not make specific investment decisions in reliance on the information contained in this report. Before acting or relying on any information, an investor should consider whether it is appropriate for their circumstances having regard to their objectives, financial situation or needs.

Financial Services Guide

We have included our Financial Services Guide as Part 2 of this Report. The Financial Services Guide is designed to assist clients in their use of any general financial product advice in our Report.

Yours faithfully
Moore Stephens Sydney Corporate Finance Pty Ltd

Scott Whiddett
Director

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PART 2 - FINANCIAL SERVICES GUIDE

1. Moore Stephens Sydney Corporate Finance Pty Ltd

Moore Stephens Sydney Corporate Finance Pty Ltd (***Moore Stephens***) is an authorised representative of Moore Stephens Sydney Wealth Management Pty Ltd (***Licence Holder***) in relation to Australian Financial Services Licence No. 336950.

Moore Stephens may provide the following financial services to wholesale and retail clients as an authorised representative of the Licence Holder:

- Financial product advice in relation to securities, interests in managed investment schemes, government debentures, stocks or bonds, deposit and payment products, life products, retirement savings accounts and superannuation (collectively ***Authorised Financial Products***); and
- Applying for, varying or disposing of a financial product on behalf of another person in respect of Authorised Financial Products.

2. Financial Services Guide

The Corporations Act 2001 requires Moore Stephens to provide this Financial Services Guide (***FSG***) in connection with its provision of an Investigating Accountant's Report (***Report***) which is included in the Prospectus provided by Pureprofile Ltd (the ***Entity***) and Secondary Offering Pty Ltd.

3. General Financial Product Advice

The financial product advice provided in our Report is known as general advice because it does not take into account your personal objectives, financial situation or needs. You should consider whether the general advice contained in our Report is appropriate for you, having regard to your own personal objectives, financial situation or needs. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence (***AFSL***) to assist you in this assessment.

4. Remuneration

Moore Stephens' client is the Entity to which it provides the Report. Moore Stephens receives its remuneration from the Entity. Our fee for the Report is based on a time cost or fixed fee basis. This fee has been agreed in writing with the party who engaged us. Neither Moore Stephens nor its Directors and employees, nor any related bodies corporate (including the Licence Holder) receive any commissions or other benefits in connection with the preparation of this Report, except for the fees referred to above.

All our employees receive a salary. Employees may be eligible for bonuses based on overall productivity and contribution to the operation of Moore Stephens or related entities but any bonuses are not directly connected with any assignment and in particular not directly related to the engagement for which our Report was provided.

We do not pay commissions or provide any other benefits to any parties or person for referring customers to us in connections with the reports that we are licensed to provide.

5. Independence

Moore Stephens is required to be independent of the Entity. Neither Moore Stephens, Moore Stephens Sydney Wealth Management Pty Limited, any Director thereof, nor any individual involved in the preparation of the Report have any financial interest in the outcome of this Offer, other than a fee in connection with the preparation of our Report for which professional fees in the order of $102,000 (excluding GST) will be received. No pecuniary or other benefit, direct or indirect, has been received by Moore Stephens, their Directors or employees, or related bodies corporate for or in connection with the preparation of this Report.

In addition to the fees for preparing the Report, entities associated with Moore Stephens have provided and continue to provide, a range of audit, tax and advisory services for which professional fees are received. Over the past 12 months professional fees of $234,000 (excluding disbursements and GST) have been invoiced to the Entity.

6. Complaints Resolution

Moore Stephens is only responsible for its Report and this FSG. Complaints or questions about the Prospectus should not be directed to Moore Stephens which is not responsible for that document. Both Moore Stephens and the Licence Holder may be contacted as follows:

- By phone: (02) 8236 7700
- By fax: (02) 9233 4636
- By mail: GPO Box 473
SYDNEY NSW 2001

If you have a complaint about Moore Stephens' Report or this FSG you should take the following steps:

1. Contact the Enquiries and Complaints Officer of the Licence Holder on (02) 8236 7700 or send a written complaint to the Licence Holder at Level 15, 135 King Street, Sydney NSW 2000. We will try and resolve your complaint quickly and fairly.
2. If you still do not get a satisfactory outcome, you have the right to complain to the Financial Industry Complaints Service at PO Box 579 Collins St West, Melbourne, Victoria 8007 or call on 1300 78 08 08. We are a member of this scheme.
3. The Australian Securities & Investments Commission (ASIC) also has a freecall Infoline on 1300 300 630 which you may use to make a complaint and obtain information about your rights.

The Licence Holder, as holder of the AFSL, gives authority to Moore Stephens to distribute this FSG.

7.

Risks

7. Risks

An investment in the Company will be subject to a number of key risks specific to its business operations and the industries in which Pureprofile operates. These risks have the potential to affect Pureprofile and the value of investments in the Company. A summary of the key business and industry risks is provided in Section 7.1.

An investment in the Company will also be subject to general risks. These general risks relate to various economic and market related factors and are generally common to all investments in shares. A summary of the key general risks is provided at Section 7.2.

The future performance of Pureprofile and the future investment performance of the Shares may be influenced by these business, industry and general risks. The Board aims, and will aim, to manage these risks by carefully planning Pureprofile's activities and implementing risk control measures. However, investors should be aware that the occurrence or consequences of some of these risks may be partially or completely outside of the control of the Company and its Directors.

This Section does not purport to list every risk that Pureprofile may have exposure to now or in the future and should be considered in conjunction with other information disclosed in this Prospectus. Additional risks and uncertainties of which the Company is unaware, or that it currently does not consider to be material, may also become important factors which may have an adverse effect on Pureprofile. Investors should satisfy themselves that they have a sufficient understanding of the risks contained in this Section and give due regard to their own investment objectives and financial circumstances. Investors should read this Prospectus in its entirety and should seek professional advice from their accountant, stockbroker, lawyer or other professional advisor before deciding whether to apply for Shares.

7.1 Risks specific to an investment in the Company

Investors should be aware of the key risks specific to an investment in the Company as detailed below:

7.1.1 General economic conditions

Pureprofile's business tends to be vulnerable to fluctuations in economic conditions which is a function of its operations in the online market research industry and the online advertising sector.

A significant downturn in the economic environment may have an adverse effect on the demand for clients' products and services. In turn, this weakness may have a negative impact on the demand for Pureprofile's services as many clients view advertising and marketing budgets as discretionary (either in whole or in part). More specifically, if the Group's clients (both existing and prospective) experience a deterioration in their revenue streams, they may seek to control their discretionary costs and they may consequently elect not to undertake new market research projects or advertising campaigns, they may delay commissioning new projects/campaigns or they may consider cancelling or reducing the scope of any existing projects/campaigns.

7.1.2 Loss of large clients

Pureprofile cannot provide any firm assurance that any of its clients will continue to use its services to the same extent, or at all, in the future.

A loss of one or more of Pureprofile's largest clients, if not replaced by a new client or an increase in business from existing clients, would adversely affect Pureprofile's prospects, operations, revenue and financial condition.

However, Pureprofile has low historical customer concentration with the largest customer in HY15 accounting for less than 5.2% of total pro forma revenue in that period.

7.1.3 Competition

(a) Market Research

Pureprofile confronts a number of competitors in the market research industry for its core suite of services. Meanwhile, its Profiling Platform Licensing offering competes with various Software-as-a-Service solutions in the database management/CRM industry. Both of these industries include several competitors which are significantly larger than Pureprofile in terms of their financial, marketing and other resources. Some competitors also have a strong global presence. Furthermore, some offer specialised products and services which are outside of Pureprofile's suite of offerings.

Pureprofile is a market leading innovator, however it must continue to compete effectively on quality of services and technology, timely delivery of survey results, information and analysis, customer service and possess the ability to offer services to meet changing market needs or prices.

Although the Company believes that Pureprofile is currently able to compete effectively, there is no firm assurance that Pureprofile will be able to successfully compete against current and future competitors or be capable of maintaining or further increasing its current market share. If Pureprofile's competitiveness declines, it could result in loss of market share, a perception of diminished value in its service offerings, reduced pricing and increased expenditure on marketing to existing and prospective clients.

(b) Digital Advertising and Marketing Industry

Many businesses in the digital advertising and marketing industry are significantly larger than Pureprofile in terms of their financial, marketing and other resources.

As the industry continues to expand and mature, various businesses (both in Australia and internationally) are introducing or expanding their offerings. Notably, these include programmatic advertising platforms and services which are lower cost and compete with or are perceived to compete with traditional advertising sales methods. These programmatic advertising offerings have gained increasing acceptance by media buying agencies and advertisers over the past two years. These trends could continue in the short and medium term, especially if the algorithms and technology underpinning programmatic advertising platforms becomes increasingly sophisticated.

Pureprofile's new highly targeted advertising offering also competes with major social media platforms such as Facebook which have established significant advertising platforms with strong targeting capabilities based on social media Profiles and data.

In addition, Pureprofile's Performance Marketing business is currently focused almost exclusively on the education sector. Increasing competition and saturation of education-focused advertising may limit growth opportunities or reduce revenue from the sector in the future. Pureprofile will mitigate this risk by entering new vertical markets.

Pureprofile will seek to mitigate the risks associated with the proliferation of programmatic advertising platforms and social media advertising offerings by demonstrating (to advertisers/media buyers) that it is installing programmatic based technology to complement the highly targeted advertising it can serve to audiences with accounts and Profiles on the Platform and the associated potentially superior return on investment for advertisers (superior relative to programmatic and social media offerings). However, there is no guarantee that this advertising sales strategy will succeed.

7.1.4 Business Reputation

Pureprofile's ability to maintain its reputation is critical to retaining and expanding its online market research client base. In part, this is dependent upon the quality of the panel: that is, ensuring sufficient numbers of Account Holders are registered to complete projects and properly engage with the content deployed to them. The accuracy of survey results is also a determinant of Pureprofile's reputation. Accordingly, if survey results or data are inaccurate or are misused or used out of context by clients, Pureprofile may become less competitive or lose market share in online market research.

Pureprofile's reputation could be adversely affected if Account Holders provided fraudulent Profile information or fraudulently registered multiple accounts. Pureprofile mitigates this risk via a range of checking processes and validation techniques that include paying to bank accounts via direct deposit.

7.1.5 Reliance on Key Personnel

The responsibility of overseeing the day-to-day operations and the strategic management of Pureprofile depends substantially on its senior management including the key management personnel referred to in Section 4.3.3. There can be no assurance that there will be no detrimental impact on the performance of Pureprofile or its growth potential if one or more of the senior management team cease their employment and suitable replacements are not identified and engaged in a timely manner. Pureprofile presently holds "key person" insurance for Paul Chan.

Pureprofile is also substantially dependent on the continued service of its existing senior technology/software development personnel as its software is proprietary (namely the various configurations of the core profiling technology) and relatively complex. There is no assurance that Pureprofile will be able to retain or replace the services of such persons in a timely fashion.

7.1.6 Staff

Pureprofile's ability to compete effectively and expand the business is somewhat dependent on its ability to continue to attract, retain and motivate sufficient numbers of skilled personnel with a diverse range of skills (in areas such as research management, software development, marketing and client and panel support services).

For instance, research managers with industry expertise can influence Pureprofile's ability to retain and expand the market research client base, while software developers are of critical importance to the maintenance of development of Pureprofile's proprietary software.

Employees are regularly recruited in competition with other industries, such as the information technology industry (for software developers) and the broader advertising industry (for market research managers). In particular, there is intense competition for the services of software developers.

The recruitment, training and retention of the in-house advertising sales team will be of critical importance to the quality and traction of the highly targeted advertising offering to advertisers/media buying agencies.

Competition for highly skilled employees can place significant demands on Pureprofile's resources and result in additional costs for recruitment, training and remuneration. Pureprofile's ability to obtain and successfully complete important client engagements and thus maintain or increase revenue could suffer if it is unable to hire and retain adequately qualified personnel in the future.

7.1.7 Acquisitions

As part of its business strategy, Pureprofile may make further acquisitions of, or significant investments in, companies, products, technologies and/or products that are complementary to its business from time to time. Any such future transactions are accompanied by the risks commonly encountered in making acquisitions of companies, products and technologies, such as integrating culture and systems of operation, relocation of operations, short term strain on working capital requirements, achieving the sales and margins anticipated and retaining key staff and customer and supplier relationships.

There can be no assurance that Pureprofile will be successful in realising the anticipated benefits and synergies of any businesses that it acquires. The ability to realise these benefits will depend in part on whether Pureprofile can efficiently integrate acquired businesses with its existing operations. The challenges of integrating and operating acquired businesses may be greater if the Pureprofile acquires businesses that provide services outside its current geographic and product offering, particularly if it is unable to retain the acquired business' management. In addition, there is a risk that Pureprofile will overestimate the value of acquired businesses and therefore overpay. These factors may adversely impact Pureprofile's financial performance.

The Board and the management team's experience in acquisitions means that a substantial amount of confidence can be gained from its acquisition planning, due diligence and integration systems. Current strategies include maintaining the management team of businesses acquired to ensure better capabilities and results.

7.1.8 Overseas operations

Pureprofile's operating results are influenced to some extent by the risks inherent in its overseas business activities, including those in the UK, US Poland and India, including general political and economic conditions in each country, changes in market demand, challenges in staffing and managing foreign operations, changes in regulatory requirements, compliance with foreign laws and regulations, foreign tax rates and laws, currency exchange fluctuations, issues in collecting accounts receivable and protecting intellectual property rights. Pureprofile has little or no control over these risks. Consequently, there can be no firm assurance that Pureprofile can effectively limit these risks, which could materially adversely affect its business, financial condition and results of operations.

7.1.9 Exchange rate fluctuations

Pureprofile derived revenue in currencies other than Australian dollars. In light of the fluctuations in currency exchange rates, Pureprofile is subject to currency translation exposure in its financial results. Risk mitigation could include appointing advisors to assist the CFO to manage controls in this area.

7.1.10 Technology infrastructure

Any system delays or failures, including network, software or hardware failures, that cause an interruption in Pureprofile's ability to communicate with Account Holders, collect data or protect materials included in Profiles, could result in reduced revenue, reputational damage and have a material adverse effect on the business.

Additionally, significant delays in the planned delivery of platform enhancements and improvements or inadequate performance of these systems once they are completed, could lead to reputational damage and harm the business.

7.1.11 Platform Risk (Redundancy, Upgradability and Scalability)

There is a risk that if a platform is not frequently updated, it becomes more difficult to do so in the future. For example a non-frequently updated code base may be incompatible with the latest versions of popular applications and servers, which the application is built on. This creates a dependency on older versions that at some point becomes redundant.

Pureprofile seeks to mitigate this risk by ensuring that its current technology choices and architecture use industry standard development frameworks. This creates a low risk of redundancy as changes to these frameworks are monitored internally. In addition, the Platform's architecture allows for substitution of redundant technologies while performance testing in the development process mitigates the risk associated with clients being unable to integrate the Platform into their existing technology systems.

Pureprofile uses a number of third party ad exchanges and demand side platforms to operate its business. All of these are located outside of Australia. There is a risk that these platforms could become unreliable or close down. Any such changes could have a significant adverse impact on the business.

Pureprofile mitigates this risk by aiming to be technology agnostic and using a number of different ad exchanges and ad networks.

7.1.12 Third Party Technology Reliance Risk

There is a risk that some of the technology used by Pureprofile in the development of the platform may subsequently require payment to upgrade that technology or the payment of royalties to the proprietors of that technology.

For example, Pureprofile uses a number of third party ad exchanges and ad networks to operate its business. There is a risk that these platforms could become unreliable or close down. It is also possible that currently used major ad exchanges and ad networks could change their pricing, restrict access or otherwise adversely change their policies of use. Any such changes could have a significant adverse impact on Sparcs businesses.

In relation to its cloud-based platform technology (i.e. its SaaS licensing and revenue share offering to publishers), Pureprofile's current strategy avoids the risk of dependence on proprietary third party technology by using technology with standardised open source or royalty free tools and libraries. The Company is of the view that if the third party technology Pureprofile currently uses becomes proprietary in the future, there are existing open source technologies which are available. However, the Company cannot guarantee that such alternatives will remain available at all times.

By using third party tools in the development of its technology, Pureprofile faces a risk that those tools contain imperfections such as bugs or errors which may adversely affect the operation of the Platform. This problem can occur with any third party tools or technologies in use by Pureprofile.

Pureprofile seeks to mitigate this risk by ensuring that it maintains an agile development process involving patching and updates where these problems are publicly identified. In addition, internal processes for testing and quality assurance reduce potential risks caused via the incorporation of updates to third party libraries and development tools.

7.1.13 Technological change

In order to remain competitive, Pureprofile must maintain and constantly enhance sophisticated data collection, processing systems, software and other technology. Some of these technologies are changing rapidly. In order to retain existing clients and attract new clients, Pureprofile will need to constantly adapt to changing technologies, either by continuing to develop and market new services or by enhancing existing services. Costs will be incurred during these processes. New services or enhancements to existing services may not adequately meet the requirements of current and prospective clients or achieve any degree of significant market acceptance.

7.1.14 Privacy and data protection laws

Various statutes and rules regulate conduct in areas such as privacy and data protection which affect the collection, use, storage, and transfer of personally identifiable information both in Australia (primarily contained in the *Privacy Act 1988* (Cth), as amended) and in the offshore jurisdictions in which Pureprofile operates (namely, the UK and US and as a result of the Sparc Acquisition, India and Poland). Although Pureprofile has strategies in place to comply with these laws and regulations, this ongoing compliance may require Pureprofile to incur compliance related costs. Failure to comply with these laws and regulations may result in fines, negative publicity and data being blocked from use.

There is also the possibility that the scope of existing privacy laws may be expanded. These future initiatives may adversely affect Pureprofile's ability to generate or assemble data or to develop or market current or future services, which could negatively affect Pureprofile's business.

In addition, public concern regarding data protection issues could adversely affect Pureprofile's ability to recruit additional Account Holders or to generate an adequate number of customer (reader/member) registrations for Platforms operated for Customer Profiling and Marketing clients.

7.1.15 Unauthorised disclosure or theft of private information

Pureprofile collects information and data, including personally identifiable information about individuals. Unauthorised disclosure of personally identifiable information, whether through a network security breach by an unauthorised party, staff theft or misuse, an inadvertent disclosure or otherwise, could harm Pureprofile's business.

Such an event could cause Pureprofile's operations to be seriously disrupted and expose it to risk of loss of the information, complaints or claims (including to the Information Commissioner in Australia) from Account Holders and Platform registrants, reputational damage and fines or penalties. For example, hackers attempting to breach network security could, if successful, misappropriate proprietary information or cause interruptions in Pureprofile's services.

Although Pureprofile has strategies in place to minimise such unauthorised disclosure of personally identifiable information, these strategies may not be successful. If Pureprofile experiences any breaches of network security, it might be required to expend significant capital and resources to protect against or to alleviate problems (including complying with the laws regarding unauthorised disclosure of personal information). Pureprofile may not be able to remedy any problems caused by hackers in a timely manner, or at all.

The perception of the effectiveness of Pureprofile's security measures could be also harmed and could lead to the loss of current and prospective clients. Account Holders and Platform registrants may also become inactive due to security concerns and the ability to recruit replacement Account Holders and Platform registrants may be impaired.

7.1.16 Intellectual property rights

Pureprofile relies on a combination of patents, copyright, trademark, trade secret, confidentiality, non-compete and other contractual provisions to protect its intellectual property rights. However, these legal measures afford only limited protection and may not provide sufficient protection to prevent the infringement, misuse or misappropriation of Pureprofile's intellectual property. Accordingly, this could adversely affect Pureprofile's competitive position.

The patent Pureprofile owns (and any future applications for or granting of patents) could be challenged, invalidated or circumvented by others and may not be of sufficient scope or strength to provide meaningful protection or commercial advantage.

Although employees, consultants and clients enter into agreements containing obligations of confidentiality, Pureprofile's trade secrets, data and know-how could be subject to unauthorised use, misappropriation or unauthorised disclosure.

7.1.17 Additional capital

Based on the funds raised under the Offer and projected cash flow from operations, the Directors believe the Company will have sufficient funds to carry out its stated objectives.

Pureprofile may require additional cash resources to pursue future business opportunities which require substantial investments of additional capital or due to unanticipated business conditions. If Pureprofile is presented with compelling business opportunities and its financial resources are insufficient to pursue them, it may seek to raise additional equity capital (subject to any requisite shareholder approvals) or obtain borrowings. Pureprofile cannot guarantee that it will be able to do so on acceptable terms or at all.

If the Company raises capital by further issues of shares or issues shares as consideration for acquisitions, Shareholders' interests in the Company may be diluted if the Company determines that an equal entitlement offer is not the most appropriate method of equity fundraising and places shares with new investors or if Shareholders elect not to participate in entitlement offers. Any debt financing may involve financial covenants which limit the Company's operations. If the Company is unable to obtain such additional funding, the Company may be required to reduce the scope of any expansion, which could adversely affect its growth and future financial performance.

7.1.18 Insurance

Pureprofile maintains various insurance policies including public,, product liability, professional indemnity, directors and officers liability, and key man insurance. All relevant insurances have been the subject of advice from qualified consultants. Nonetheless, these insurance and contractual arrangements may not adequately protect it against liability for all losses. Pureprofile may also be unable to maintain insurance at levels of risk coverage or with deductibles that it considers appropriate. Any loss falling outside the scope of insurance may adversely affect Pureprofile's financial performance.

7.1.19 Profiles and Account Holders

The performance of Pureprofile's business is significantly dependent on maintaining an active base of Account Holders that is large enough and diverse enough to be relevant to its clients.

The frequency with which Account Holders are willing to respond to survey invitations is variable. For instance, Account Holders response rates fluctuate with differing survey content or topics and the value of the reward for responding. Pureprofile's business will be adversely affected if it does not achieve sufficient response rates with existing Account Holders. If Pureprofile finds it necessary to recruit a significant number of additional or replacement Account Holders, operating costs may rise.

7.1.20 Nature of revenue base

There are risks associated with the nature of the revenue bases of Pureprofile's key areas of operation.

(a) Online Market Research

A significant portion of revenue is derived from fees which are generated on a project by project basis. Pureprofile must continuously replace completed projects with new projects from both existing and new clients. However, factors such as economic conditions (refer above) and competitive pressures (refer below) may make this ongoing project replenishment more challenging. Consequently, there is risk that Pureprofile may not be able to sustain or grow revenue for this division.

These risks are mitigated by the reputation Pureprofile has garnered in the online market research industry over the past 12 years, its ongoing relationships with a diverse range of clients that have historically commissioned further projects and its cost effective and timely delivery of survey results.

(b) Media Trading

Pureprofile's media trading business relies on market inefficiencies in order to profit by buying and reselling ad inventory across different ad exchanges. Specific risks relating to the media trading business include:

- Exchange rate – the media trading business buys and sells ad inventory in US dollars. Its staff and major overheads are however mostly paid in Australian dollars. A significant rise in the value of the Australian dollar against the US dollar will have a negative impact on the profitability of the media trading business.
- Industry consolidation – a reduction in the number of ad exchanges could result in a fewer opportunities to find and trade undervalued ad inventory limiting growth or potentially reducing the current revenue generated by the media trading business;
- Supplier and client concentration – currently a significant number of the trades made by the media trading business run through a limited number of ad exchanges. There is a risk that changes in the policies, terms or pricing on exchanges used by the business, could have a significant impact on performance and profitability. The business plans to mitigate these risks in the future by spreading its trading over a greater number of demand and supply partners;
- Fraudulent or defective ad inventory – In the global display advertising eco-system, there is a significant volume of fraudulent or defective ad inventory traded. While many ad exchanges take steps to block such traffic, it is very difficult to entirely prevent it from entering the market. Like other industry participants, the media trading business is at risk of buying or selling fraudulent or defective ad inventory. Pureprofile mitigates this risk by using technology and systems that detect and block fraudulent and defective ad inventory however it is possible that any inadvertent trading of such inventory could cause losses or reputational damage;

(c) Programmatic Trading

An error in entering pricing (pricing risk) or order size (volume risk) could lead to a significant loss. This risk is mitigated through daily expenditure caps placed by the business at various levels on buy-side platforms , ongoing monitoring by senior management and policies and procedures designed to reduce the risk of errors occurring and remaining undetected. The auction process used to purchase and re-sell ad inventory also reduces pricing risk. Even if an order were to be placed at an erroneously high price, the actual price paid would generally be only marginally higher than the next best offer. Volume risk is also restricted to the actual volume of ad impressions available for purchase during the reporting period (which varies from near real-time to one day). While Pureprofile has not to date incurred any substantial losses caused by such errors, there is no assurance that losses will not occur in the future.

7.1.21 Incomplete or Inaccurate Profile Information

An Account Holder may deliberately provide false information or use anonymity tools (such as virtual private networks or VPNs) to hide their details. Online surveys and other content sent to Account Holders on behalf of Pureprofile's clients could be sent to individuals who do not meet the requisite criteria requested by the client. Similarly, an Account Holder may have registered several accounts (in breach of the terms of service) and potentially do the same online survey twice, meaning the client is not getting a representative sample of Account Holders. Pureprofile actively seeks to build an Account Holder's Profile based on volunteered personal information, which the Account Holder is comfortable disclosing. In the case of Account Holders providing deliberately false information, Pureprofile has fraud check measures to ensure that such users are identified and their accounts closed for breach of the terms of service.

7.1.22 Account Holder Liability

When an Account Holder completes or part completes an online survey or otherwise interacts with client-commissioned content on the Pureprofile website (**Activity**), he or she may accrue non-monetary rewards (but which are expressed in currency values). Once the Account Holder reaches a minimum threshold, he or she is able to redeem the rewards for cash to an amount equal to the currency value of the redeemed rewards. There is also a maximum amount of rewards that can be redeemed in any 60-day period. Pureprofile treats the accrued non-monetary rewards as a current liability on its balance sheet (see Section 5.5). If a significant amount of the accrued balance becomes redeemed at a point in time, requiring Pureprofile to pay that amount to Account Holders, this could negatively affect the Company's cash flow position. This risk is managed through the enforcement of the minimum and maximum amounts that can be redeemed under the terms of service of the Pureprofile website. Under these terms, any Account Holder who has not logged any Activity for a 12-month period will forfeit their rewards balance. Account Holders who close their accounts or have their accounts closed (for example as a result of breaching the terms of service) will also forfeit their rewards balance. Pureprofile is able to further manage this risk by reducing the quantum of Account Holder liability in this way. Pureprofile has controlled this risk for 13 years through a range of policies, practices and procedures. It should be noted that breakage (i.e. the amount of accrued rewards balance forfeited) reduces the Company's cost of sales.

7.1.23 Restructure

In preparation for the Offer, a Restructure was conducted for the purpose of the Company acquiring, either directly or indirectly, a 100% interest in each of the other Group companies. To effect this, existing investors were asked to enter into agreements under which each would agree to transfer the shares that they held in various Group companies in exchange for the issue of new shares in other Group entities. The structure of the Group prior to the Restructure resulted in a number of investors participating in multiple exchanges before receiving Shares. Under these exchanges, the Company agreed to issue 29,999,998 Shares. For further details see Section 9.6.

The majority of contracts entered into to effect the Restructure required it to be implemented on the date that the Company is admitted to the ASX or on such other date as the parties may in writing agree. The Restructure was implemented earlier than provided for in the express terms of these Restructure contracts. The Company has taken steps to communicate the completion of the Restructure to participants and has not received any complaints or concerns in response. However, the Company has not obtained confirmation from each Restructure participant that they have agreed to the Restructure being completed earlier than intended as anticipated by the contracts. As a result, there is a risk that a Restructure participant may claim that the Restructure has been conducted in breach of the restructure agreements, which could result in a loss to the Group.

The restructure proposal was fully explained to all shareholders via a detailed Explanatory Memorandum (and the subject of signed contracts). As the principal intent of the processes, as reflected in the contracts was the delivery of shares in the Company to all existing shareholders, the Directors cannot see any claim for damages in this case having any monetary value, especially given that all shareholders received their full entitlement to shares in the Company.

The Directors believe that the Company has taken appropriate steps to mitigate this risk by notifying each restructure participant that the restructure has been completed. The Directors also believe that it is a mitigating factor that the Company will apply within 7 days after the date of the Prospectus for admission to the official list of ASX and the grant by ASX of official quotation of the Shares.

7.1.24 Acquisition of Sparc

In 2015, Pureprofile entered into an agreement to acquire Sparc. The acquisition agreement includes contractual protections (including warranties) that the Company has agreed are appropriate for an acquisition of this nature. However, Pureprofile remains exposed to unanticipated liabilities that may not have been discovered or sufficiently provided for under the terms of the acquisition agreement.

Pureprofile is exposed to commercial risks associated with Sparc, including the risk of employees or senior management leaving the business, or the loss of clients, following the acquisition.

There can be no assurance that Pureprofile will be successful in realising the anticipated benefits and synergies of Sparc. The ability to realise these benefits will depend in part on whether Pureprofile can efficiently integrate acquired businesses with its existing operations. The challenges of integrating and operating Sparc are exacerbated given that Sparc provides services outside Pureprofile's current geographic and product offering. In addition, there is a risk that Pureprofile has overestimated the value of Sparc and therefore overpaid. These factors may adversely impact the Company's financial performance.

The CEO and founder of Sparc, Wout van Damme, will join the senior management team of Pureprofile on completion of the Sparc Acquisition and will receive options in the Company as part of his employment package. This may help to mitigate the risks that might otherwise arise following the acquisition.

7.1.25 Warranty claims

With respect to the warranties under the Sparc Acquisition agreement, there is a risk that the Sparc Vendors will have insufficient funds to satisfy any warranty claims made against them by Pureprofile. This risk is partially mitigated in the Sparc Acquisition agreement with the establishment of a deferred payment from the Instalment Payments payable after the Settlement Date of an amount up to AU$1,500,000: comprising (1) $1.2m in deferred Shares (to be withheld by the Company from the instalment payments which form part of the purchase price); and (2) up to an additional AU$300,000 in cash (depending on the financial performance of the Sparc business), to be held (or with regard to Shares, not issued) in respect of any valid warranty claim made by Pureprofile. Details are set out in Section 9.7.

7.1.26 Expenditure program

Pureprofile has not entered into contracts for any of the material items covered by the expected expenditure program detailed in Section 8.1.2, nor does it have binding quotations in relation to some such items. Rather the Directors have determined that following the successful Completion of the Offer, Pureprofile will be well positioned to negotiate the terms for such contracts. The Directors, officers and consultants have extensive experience in the industries in which Pureprofile operates and have prepared the anticipated expenditure detailed in Section 8.1.2 based on their own experience of the likely costs for those expenditure items. While the Directors are confident Pureprofile will be able to source suitable suppliers, there is a risk that it may not be able to source those suppliers at the estimated expenditure in Section 8.1.2.

7.2 General risks of an investment in the Company

7.2.1 Economic

The financial performance and value of the Company may be influenced by various economic factors such as inflation, interest rates, domestic and international economic growth, taxation policies, legislative change, political stability, stock market conditions in Australia and elsewhere, changes in investor sentiment towards particular market sectors, exchange rate fluctuations and acts of terrorism.

7.2.2 General Market Risk

The trading price of Shares at any given time may be higher or lower than the price paid to acquire Shares under the Offer. Further, there can be no assurance that an active trading market will develop in the Shares. There may also be relatively few potential buyers or sellers of the Shares on ASX or otherwise at any time which may increase the volatility of the market price of the Shares.

The market for shares in companies with market capitalisations below $50 million has typically been more volatile than other share investments. Such shares have experienced price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of these companies. A significant decline in the stock market performance of such companies is likely to have an adverse effect on the price and liquidity of the Shares.

Many other factors will also affect the price of the Shares, including general fluctuations in the performance of local and international stock markets, movements in interest rates and exchange rates, general economic conditions and investor sentiment.

7.2.3 Lack of Liquidity Post Listing

The Company will have approximately 57,933,480 Shares on issue at Completion of the Offer. In percentage terms, the Shares issued and transferred under the Offer will comprise 42.0% of the Shares on issue (on Completion of the Offer).

New investors should note that liquidity post listing may be constrained given a significant portion of the Company's Existing Shares may be designated by ASX as restricted securities for up to 24 months. The Company expects that these Shares will represent approximately 20% of the total number of Shares on issue on Completion of the Offer, however depending on the position ASX takes, they may represent from zero up to approximately 55%.

If ASX does not classify any Shares of the Existing Shareholders as restricted securities, Pureprofile will enter into voluntary escrow arrangements Fredrick Swaab, Pilmore Pty Ltd (an entity associated with Fredrick Swaab) and Paul Chan in respect of all of their 11.3 million Shares held at the Prospectus Date for a period expiring on release by Pureprofile of its audited financial accounts for FY16.

The absence of any sale of such Shares during these periods may cause, or at least contribute to, limited liquidity in the market for the Shares. This could affect the prevailing market price at which Shareholders are able to sell their Shares.

Following the conclusion of the restriction period, the relevant Shares will be able to be freely traded on ASX. A significant sale of Shares by any one of these Existing Shareholders, or the perception that such sales have occurred or might occur, could adversely affect the price of the Shares.

7.2.4 Taxation Risks

Pureprofile is subject to the tax regimes of Australia, the United States and the United Kingdom and additionally, will be subject to the tax regimes of India and Poland as a result of the Sparc Acquisition. Changes in tax laws and regulations or their interpretation and application in any of these jurisdictions could adversely affect the tax liabilities of Pureprofile.

8. Details of the Offer

8. Details of the Offer

8.1 Description of the Offer

This Prospectus invites investors to apply for a total of 24,238,850 Shares at an issue price of 50 cents per Share to raise $12,119,425 (before associated costs).

Through this Prospectus the Company is also inviting Eligible Employees to acquire 2,000 Shares each for no consideration payable to the Company, which may result in the issue of up to a further 100,000 Shares.

The total number of Shares on issue at the Completion of this Offer, assuming all Eligible Employees take up their full entitlements under the Employee Award Offer, will be 57,933,480. All Shares will rank equally with each other.

The General Offer has been fully underwritten by the Lead Manager. A summary of the Underwriting Agreement, including the events which would entitle the Lead Manager to terminate the Underwriting Agreement, is set out in Section 9.9. The Lead Manager has appointed Shaw Stockbroking as broker to the Offer. The Employee Award Offer is not underwritten.

The Offer is made on the terms, and is subject to the conditions, set out in this Prospectus.

8.1.1. Structure of the Offer

The Offer comprises:

- the General Offer – which is open to Australian resident investors; and
- the Employee Award Offer – which is open to Eligible Employees.

8.1.2 Purpose of the Offer and uses of funds

The purpose of the Offer is to raise funds to implement Pureprofile Group's business objectives, including the completion of the acquisition of Sparc.

The sources and uses of funds, including the funds raised from the Offer will be as follows:

Cash at 31 December 2014[1]	$2,900,000
Funds raised from the Offer	$10,000,000
TOTAL[5]	**$12,900,000**
Allocation of funds	
Cash expenses associated with the Offer, Sparc Acquisition and Restructure	$1,500,000
Sparc Acquisition cash consideration[2]	$3,000,000
Strategic growth initiatives, comprising:[3]	
Publisher alliances	$1,000,000
Product development	$1,600,000
International expansion	$400,000
Investment in creating, enriching and monetising Profiles	$1,000,000
Repayment of debt	$500,000
Working capital[4]	$3,900,000
TOTAL[5]	**$12,900,000**

1. This is the pro-forma cash balance of Pureprofile at 31 December 2014, as per Section 5.5, before taking into account the capital raised from the Offer.
2. The cash consideration for the Sparc Acquisition is set out in Section 9.7.
3. Further details of these initiatives are set out in Section 8.1.2.1 below.
4. Working capital includes payments toward outstanding creditors, salaries and superannuation of employees and directors, consultant's fees, rent and outgoings, accounting fees, legal fees, ASX listing fees, auditing fees, insurance, share registry fees, travel expenses and all other items of a general administrative nature.
5. This balance does not represent the actual cash available at the Completion of the Offer.

The above table is a statement of current intentions as at the date of this Prospectus. Investors should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including the outcome of operational and development activities and market and general economic conditions.

8.1.2.1 Expenditure on business objectives:

a) **Sparc Acquisition –** Completion of the Sparc Acquisition for cash consideration of $3 million. For more details about the Sparc Acquisition see Section 9.7.

b) **Strategic growth initiatives –** Pureprofile plans to expand its business through:

- **Publisher alliances –** extending the publisher alliance model to other publishers and generating annual licensing fees and revenue share through hiring additional sales and marketing staff.
- **Product development –** investment in enhancing Pureprofile Group's proprietary technologies, including machine learning capabilities, automation of Sparc's media trading business and development of its sell-side programmatic platform, optimisation of the consumer website, and the development of additional apps and widgets, which support and extend the Pureprofile SaaS Platform.
- **International expansion –** grow existing businesses by increasing staff in Europe, Asia and North America and opening a new office in New Zealand to support additional platform licensing deals similar to the agreement with AA Smartfuel.
- **Creating, enriching and monetising Profiles –** increasing the quantity of Profiles through the acquisition of databases, sources and channels; and enhancing the Profiles of Account Holders through additional engagement and rewards initiatives.

8.1.2.2 Working Capital

In addition, to capitalise on other opportunities that may arise, the Company may further utilise its $500,000 overdraft facility with ANZ.

It is also possible that future projects or acquisitions may be contemplated, which may exceed the current or projected financial resources of the Company and it is expected these acquisitions or projects would be funded by a combination of debt finance and equity issues (subject to any required shareholder approvals).

8.1.3 Potential effect of the fundraising on the future of Pureprofile

The Directors consider that following the Completion of the Offer, the Company will have sufficient working capital to carry out its stated business objectives.

It is possible that future business opportunities or new service offerings that may be contemplated may exceed the current or projected financial resources of the Company and it is expected that these initiatives would be funded by equity issues (subject to any required shareholder approvals) and/or further debt finance (if available).

8.1.4 Shareholders

The details of the ownership of Shares immediately prior to, and on, Completion of the Offer is shown in the tables below:

Shareholder	Shares held pre Completion of the Offer	% pre Completion of the Offer	Shares issued/ acquired/ (sold)	Shares held on Completion of the Offer	% on Completion of the Offer
Paul Chan and associates	6,962,656	18.4%	Nil	6,962,656	12.0%
Fredrick Swaab and associates	6,173,850	16.3%	Nil	6,173,850	10.7%
Other Existing Shareholders	24,696,974	65.3%	(4,238,850)	20,458,124	35.3%
New Shareholders under Employee Award Offer	Nil	Nil	100,000	100,000	0.2%
New Shareholders under General Offer	Nil	Nil	24,238,850	24,238,850	41.8%

The above table assumes that there are 50 Eligible Employees entitled to participate in the Employee Award Offer and that the Employee Award Offer is fully subscribed and that no Existing Shareholder will subscribe for additional Shares under the Offer. If an Existing Shareholder were to do so, the number of Shares held by that Existing Shareholder and their percentage shareholding in the Company on Completion of the Offer will be higher than as set out above.

With the exception of Paul Chan and his associates and Fredrick Swaab and his associates:

- none of the Existing Shareholders will hold or have voting power in 5% or more of the Shares on Completion of the Offer; and
- the Directors do not expect any Shareholder to control the Company on Completion of the Offer.

However, Funbox will be issued Shares pursuant to the Sparc Acquisition in up to 3 tranches following Completion of the Offer. The number of the Shares Funbox is issued is dependent upon the performance of Sparc in FY15 and 1H16 and the Share price at the time of issue of each tranche of Shares. Shares issued in the first tranche will be issued at $0.40 per Share and Shares issued in subsequent tranches will be issued at a price per Share equal to the 30 day VWAP as at close of trading on the relevant day. However, for illustrative purposes, if the relevant issue price for all tranches was $0.40 per Share, the minimum number of Shares issued would be 3,125,000 Shares (which would represent approximately 5.1% of the post-issue Share capital, assuming no other issues of Shares) and the maximum would be 9,000,000 Shares (which would represent approximately 13.4% of the post-issue Share capital, assuming no other issues of Shares). For further details see Section 9.7.

8.1.5 Escrow arrangements

In accordance with the ASX Listing Rules, the Directors expect that ASX will classify approximately 12.1 million Shares held by the Existing Shareholders as restricted securities for a period of 24 months from the ASX Listing Date. This includes 5,276,377 Shares held by Fredrick Swaab and his associates and 5,702,090 Shares held by Paul Chan. However, depending on the position ASX takes, they may classify between zero and up to approximately 31.1 million Shares held by the Existing Shareholders as restricted securities.

Chapter 9 of the ASX Listing Rules precludes holders of restricted securities from disposing of those securities or an interest in those securities or agreeing to dispose of those securities or an interest in those securities for the relevant restriction periods. The holder of such securities will be precluded from granting a security interest over those securities. However, ASX may consent to those Shares being sold under a takeover bid or under a merger by way of a scheme of arrangement under the Corporations Act.

The ASX may review these restrictions during its consideration of the Company's application for admission to the Official List of the ASX. The ASX may also, at its discretion, waive or vary the requirements in accordance with the Listing Rules, in the event that an affected holder and the Company apply for a review of any escrow restrictions.

The total number of Shares expected to be subject to escrow represents up to approximately 20% of the total number of Shares on issue on Completion of the Offer however depending on the position ASX takes, they may represent between zero to up to approximately 55%. It is expected that all of these Shares will be released from escrow 2 years after the ASX Listing Date. Shares may be released earlier in certain circumstances.

If ASX does not classify any Shares of the Existing Shareholders as restricted securities, Pureprofile will enter into voluntary restriction arrangements with Fredrick Swaab, Pilmore Pty Ltd (an entity associated with Fredrick Swaab) and Paul Chan in respect of all of their 11,308,766 Shares held at the Prospectus Date (representing 19.6% of the Shares on issue on Completion of the Offer) for a period ending on release by Pureprofile of its audited financial accounts for FY16. The form of any such restriction agreements in each case will be based on form prescribed by the ASX Listing Rules. However, the restrictions may be released by Pureprofile early to enable the Existing Shareholders to accept an offer under a takeover bid in relation to its Shares provided holders of not less than 50% of the Shares not subject to the restrictions then on issue have accepted the takeover bid or to enable the Shares to be transferred or cancelled as part of a merger by scheme of arrangement under Part 5.1 of the Corporations Act. Additionally, the Shares may be transferred to a complying superannuation fund of which the holder is a member. The Directors are entitled to waive the restrictions at any time.

In addition, the Shares issued under the Employee Award Offer to each Eligible Employee will be restricted from transfer until the earlier of 3 years after the ASX Listing Date and the termination of employment of the Eligible Employee.

Final details of any such restriction or escrow arrangements will be disclosed prior to commencement of official quotation of the Company's Shares.

No escrow will apply to Shares issued and transferred under the General Offer.

8.1.6 Pre-completion steps

Before the Prospectus Date, certain Existing Shareholders executed sale agreements under which the Existing Shareholders agreed to sell, in aggregate, 4,238,850 Shares to SaleCo on or before Completion of the Offer for cash consideration equal to the Offer Price per Share. SaleCo is offering these Shares to investors under the General Offer at the Offer Price per Share and will transfer them to successful Applicants as part of Completion of the Offer. SaleCo will pay proceeds received by it from successful Applicants to or at the direction of the Existing Shareholders.

This Prospectus is prepared and presented on the basis that none of these Shares will be classified as restricted securities by ASX. For example, references in this Prospectus to the total number of Shares offered under this Prospectus, the gross proceeds of the Offer, or the percentage shareholdings of Existing Shareholders and new Shareholders on Completion of the Offer, are presented on this assumption. The Company has not obtained confirmation that these Shares will not be classified as restricted securities prior to the Prospectus Date and will seek to do so following the Prospectus Date.

If any of these Shares are classified as restricted securities by ASX, Pureprofile may determine to withdraw the Offer. If the Offer is withdrawn, any Application Monies held by Pureprofile will be returned to investors (without interest). If the Offer proceeds, the number of Shares offered for sale by SaleCo under the General Offer will be reduced to that number of those Shares that are not classified as restricted securities by ASX (and accordingly are not subject to any restrictions on transfer under the Listing Rules). This will not have any impact on the Company or its financial position as outlined in this Prospectus as the proceeds of sale of those Shares are payable to SaleCo. It would result in a small increase in the percentage shareholding of Exiting Shareholders on Completion of the Offer and a corresponding decrease in the percentage shareholding of new Shareholders on completion of the Offer.

SaleCo will pay proceeds received by it from successful Applicants to or at the direction of the Existing Shareholders.

SaleCo was registered on 7 August 2014 and has no material assets, liabilities or operations other than its interest in and obligations under the sale agreements described above and the Underwriting Agreement described in Section 9.9. The sole director, secretary and shareholder of SaleCo is Fredrick Swaab.

8.1.7 Corporate, financial and other information about the Company

Details of the Company's formation, registration and tax status, along with information regarding the Group's corporate structure, are set out at Section 10.

The Company's pro forma balance sheet as at 31 December 2014, including details of the pro forma adjustments, is set out in Section 5.5.

The Company's capitalisation and indebtedness as at 31 December 2014, before and following Completion of the Offer, is set out in Section 5.10.

8.2 Terms and conditions of the Offer

Topic	Summary
What is the type of security being offered?	Shares (being fully paid ordinary shares in the Company)
What are the rights and liabilities attached to the securities?	A description of the Shares, including the rights and liabilities attaching to them, is set out in Section 10.5.
What is the consideration payable for each security being offered?	Successful Applicants under the General Offer will pay the Offer Price, being $0.50 per Share. No amounts are payable for Shares issued under the Employee Award Offer.
What is the Offer period?	The key dates, including details of the Offer Period relating to each component of the Offer, are set out on page 3. The timetable is indicative only and may change. Unless otherwise indicated, all times are stated in Sydney time. The Company, SaleCo and the Lead Manager may vary the times and dates without notice (including, subject to the ASX Listing Rules and the Corporations Act, to close the Offer early, to extend the Offer period relating to any component of the Offer, or to accept late Applications, either generally or in particular cases, or to cancel or withdraw the Offer before Completion, in each case without notifying any recipient of this Prospectus or any Applicants). If the Offer is cancelled or withdrawn before Completion, then all Application Monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act.
What are the cash proceeds to be raised?	$12.1 million is expected to be raised under the Offer ($2.1m to be paid to or at the direction of SaleCo and $10m to be paid to or at the direction of the Company).
Is the Offer underwritten?	Yes. The Lead Manager has fully underwritten the General Offer pursuant to the Underwriting Agreement. Details are provided in Section 9.9. The Employee Award Offer is not underwritten.
What is the minimum and maximum Application size under the Offer?	The minimum Application under the General Offer is $2,000 (4,000 Shares)and there is no maximum value of Shares that may be applied for under the Offer. Applications under the Employee Award Offer are for a maximum of $1,000 worth of Shares (2,000 Shares).

Topic	Summary
What is the allocation policy?	The allocation policies for the Offer are set out in: • Section 8.3.3 (General Offer); and • Section 8.4.4 (Employee Award Offer).
When will I receive confirmation that my Application has been successful?	It is expected that initial holding statements will be despatched by post on or about 24 July 2015. Refunds to applicants under the General Offer who make an Application and are scaled back will be made as soon as possible following Completion, which is expected to occur on or about 24 July 2015.
Will the securities be quoted?	The Company has applied to ASX for admission to the official list of the ASX and quotation of Shares on the ASX (which is expected to be under the code "PPL"). Completion of the Offer is conditional on ASX approving this application. If approval is not given within three months after such application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded without interest, as soon as practicable in accordance with the requirements of the Corporations Act. ASX takes no responsibility for this Prospectus or the investment to which it relates. The fact that ASX may admit the Company to the Official List is not to be taken as an indication of the merits of the Company or the Shares offered for subscription.
When are the securities expected to commence trading?	It is expected that trading of the Shares on ASX will commence on or about 29 July 2015. It is the responsibility of each Applicant to confirm their holding before trading in Shares. Applicants who sell Shares before they receive an initial holding statement do so at their own risk. The Company, SaleCo, the Share Registry and the Lead Manager disclaim all liability, whether in negligence or otherwise, to persons who sell Shares before receiving their initial holding statement.
Are there any escrow arrangements?	Yes. Details are provided in Section 8.1.5.
Are there any tax considerations?	Refer to Section 10.6.
Is there any brokerage, commission or stamp duty considerations?	No brokerage, commission or stamp duty is payable by Applicants on acquisition of Shares under the Offer. See Sections 4.3.1 and 9.9 for details of various fees payable by the Company to the Lead Manager and by the Lead Manager to brokers.
What should you do with any enquiries?	All enquiries in relation to this Prospectus should be directed to Pureprofile's Share Registry on 1300 737 760 (or +61 2 9290 9600 if calling from outside Australia) between 9.00am and 5.00pm (AEST) Monday to Friday. If you are unclear in relation to any matter or are uncertain as to whether Pureprofile is a suitable investment for you, you should seek professional guidance from your stockbroker, solicitor, accountant, financial adviser or other independent professional adviser before deciding whether to invest.

8.3 General Offer

8.3.1 Who may apply

The General Offer is open to all investors who have a registered address in Australia and are not located in the United States.

8.3.2 How to apply

Applications for Shares can only be made by completing the Application Form attached to this Prospectus and must be for a minimum of 4,000 Shares ($2,000) and thereafter in multiples of 1,000 Shares ($500).

Your Application Form must be accompanied by a cheque for the full amount of your Application. Cheques are to be drawn in Australian dollars and made payable to "Pureprofile Ltd. – Share Offer" and crossed "Not Negotiable". Payments by cheque will be deemed to have been made when the cheque is honoured by the bank on which it is drawn.

Investors may apply for Shares online and pay their Application Monies by BPAY®. Investors wishing to pay by BPAY® should complete the online Application Form accompanying the electronic version of hits Prospectus which is available at businesses.pureprofile.com/investors and follow the instructions on the online Application Form which includes the Biller Code and your unique Customer Reference Number (CRN).

You should be aware that you will only be able to make a payment via BPAY® if you are the holder of an account with an Australian financial institution which supports BPAY® transactions. When completing your BPAY® payment, please make sure you use the specific Biller Code and your unique CRN provided on the online Application Form. If you do not use the correct CRN, your Application will not be recognised as valid.

The Company reserves the right to reject any Application or to allocate fewer Shares than the number applied for by any investor.

If an Application Form is not completed correctly, or if the accompanying payment is for the wrong amount, Pureprofile may still accept the Application. The Company's decision as to whether to accept the Application or how to construe, amend or complete it shall be final, but no Applicant will be treated as having offered to purchase more Shares than indicated by the amount of the cheque for the Application Monies.

8.3.3 When to apply

Applications may be lodged at any time after the issue of this Prospectus. However, as set out in the Prospectus, applications received during the ASIC exposure period will not be processed until after the expiry of that period.

The Offer will remain open until 5:00pm (AEST) on 17 July 2015, unless the Company elects to close the Offer earlier or extend the Offer, in each case without prior notice.

Early lodgement of your Application is recommended as the Offer may be closed early.

8.3.4 Allocation policy under the General Offer

The allocation of Shares will be determined by the Lead Manager and the Board.

8.4 Employee Award Offer

8.4.1 Who is eligible?

The Employee Award Offer consists of an invitation to Eligible Employees, to apply for Shares at the Offer Price.

Eligible Employees are all permanent full-time and permanent part-time employees of Pureprofile and Sparc in Australia who have been employed by Pureprofile or Sparc (as relevant) for at least 3 months as at 5.00pm (AEST) on the date of the Original Prospectus (provided that they remain so employed at the date of issue and allotment of Shares under the Offer).

Eligible Employees will be offered the opportunity to apply for 2,000 Shares each for no consideration payable to the Company.

8.4.2 Invitations under the Employee Award Offer

A separate offer letter, together with access to this Prospectus, will be provided to Eligible Employees, detailing the terms of the Employee Award Offer. Eligible Employees should read the separate offer letter and this Prospectus, carefully and in their entirety before deciding whether to apply under the Employee Award Offer, including the summary of Australian tax issues contained in the Offer letter. If you are unclear in relation to any matter or are uncertain as to whether Shares are a suitable investment for you, you should seek professional guidance from your accountant, financial adviser, tax adviser, stockbroker, lawyer or other professional adviser before deciding whether to invest.

8.4.3. Restrictions on transfer

Shares issued under the Employee Award Offer to each Eligible Employee will be restricted from transfer until the earlier of 3 years after the ASX Listing Date and the termination of employment of the Eligible Employee

8.4.4 Allocation policy under the Employee Award Offer

All Eligible Employees will be offered the opportunity to participate in the Employee Award Offer.

8.5 Trading on ASX

It is the responsibility of each Applicant to confirm their holding before trading in Shares. Applicants who sell Shares before they receive an initial statement of holding do so at their own risk.

The Company and the Share Registry disclaim all liability whether in negligence or otherwise, to persons who sell Shares before receiving their initial statement of holding whether on the basis of confirmation of allocation provided by them, by the Lead Manager, a broker or otherwise.

8.6 CHESS and issuer sponsored holdings

Pureprofile will apply to ASX to participate in the Securities Clearing House Electronic Sub-register System known as CHESS. CHESS is operated by ASX Settlement and Transfer Corporation Pty Ltd (ASTC) in accordance with the ASX Listing Rules and the ASX Settlement Operating Rules.

Under CHESS, Pureprofile will not be issuing certificates to investors who elect to hold their shares on the CHESS sub-register. When the shares become approved financial products (as defined in the ASX Settlement Operating Rules), holdings will be registered in one of two sub-registers, an electronic CHESS sub-register or an issuer sponsored sub-register.

For all successful Applicants, the shares of a shareholder who is a participant in CHESS or a shareholder sponsored by a participant in CHESS will be registered on the CHESS sub-register. All other Shares will be registered on the issuer sponsored sub-register.

After allotment of the shares, shareholders will receive a CHESS holding statement. The CHESS holding statements, which are similar in style to bank account statements, will set out the number of shares allotted to each shareholder pursuant to this Prospectus. The statement will also advise holders of their holder identification number for CHESS holders or, where applicable, the Securityholder Reference Number (SRN) of issuer sponsored holders. Shareholders will subsequently receive statements showing any changes to their shareholding. Certificates will not be issued.

Shareholders will receive subsequent statements during the first week of the following month if there has been a change to their holding on the register and as otherwise required under ASX Listing Rules and the Corporations Act. Additional statements may be requested at any other time either directly through the Shareholder's sponsoring broker in the case of a holding on the CHESS sub register or through the Share Registry in the case of a holding on the issuer sponsored sub register. Pureprofile and the Share Registry may charge a fee for these additional issuer sponsored statements.

8.7 Discretion regarding the Offer

Pureprofile and SaleCo may withdraw the Offer at any time before the issue of Shares to successful Applicants. If the Offer does not proceed, all relevant Application Monies will be refunded (without interest).

8.8 Privacy disclosure statement

If you complete an application for Shares, you will be providing personal information to Pureprofile (directly or via Pureprofile's Share Registry). Pureprofile, and Pureprofile's Share Registry on its behalf, may collect, hold and use that information in order to process your Application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

Your personal information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and Pureprofile's Share Registry.

Your personal information may also be provided to Pureprofile's members, agents and service providers on the basis that they deal with such information in accordance with Pureprofile's privacy policy. The members, agents and service providers of Pureprofile may be located outside Australia where your personal information may not receive the same level of protection as that afforded under Australian law. The types of agents and service providers that may be provided with your personal information and the circumstances in which your personal information may be shared are:

- Pureprofile's Share Registry for ongoing administration of the Shareholder register;
- printers and other companies for the purpose of preparation and distribution of statements and for handling mail;
- market research companies for the purpose of analysing the Shareholder base and for product development and planning; and
- legal and accounting firms, auditors, contractors, consultants and other advisers for the purpose of administering, and advising on, the Shares and for associated actions.

You can access, correct and update the personal information that we hold about you. Please contact Pureprofile's Share Registry if you wish to do so at the relevant contact numbers set out in the Prospectus.

Collection, maintenance, and disclosure of certain personal information are governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the SCH Business Rules.

You should note that if you do not provide the information required on the Application Form, Pureprofile and Pureprofile's Share Registry may not be able to accept or process your Application.

8.9 Restrictions on distribution

No action has been taken to register or qualify this Prospectus, the Shares that are the subject of the Offer or otherwise to permit a public offering of the Shares in any jurisdiction outside Australia. The Offer is not an offer or invitation in any jurisdiction where, or to any person to whom, such an offer or invitation would be unlawful.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

This Prospectus does not constitute an offer or invitation to apply for Shares in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation or issue under this Prospectus. In particular, the Shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, in the United States, except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws.

This Prospectus may not be released or distributed in the United States, and may only be distributed to persons to whom the Offer may lawfully be made in accordance with the laws of any applicable jurisdiction.

Each Applicant in the Offer will be taken to have represented, warranted and agreed as follows:

- it understands that the Shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered, sold or resold in the United States except in transactions exempt from, or not subject to, registration requirements of the U.S. Securities Act and applicable U.S. state securities laws;
- it is not in the United States;
- it has not and will not send the Prospectus or any other material relating to the Offer to any person in the United States; and
- it will not offer or sell the Shares in the United States or in any other jurisdiction outside Australia except pursuant to transactions exempt from, or not subject to, registration requirements of the U.S. Securities Act and in compliance with all applicable laws in the jurisdiction which Shares are offered and sold.

9. Material Contracts

9. Material Contracts

The Directors consider that the material contracts described below and elsewhere in this Prospectus are the contracts which an investor would reasonably regard as material and which investors and their professional advisers would reasonably expect to find described in the Prospectus for the purpose of making an informed assessment of the Offer.

A summary of the main terms thereof is detailed below:

9.1 News Limited Agreement

Pureprofile Australia Pty Limited has entered into a master services agreement with News Limited pursuant to which Pureprofile Australia Pty Limited will work with News Limited to establish an online panel of consumers of News Limited's online content and sell access to that online panel. The services currently provided by Pureprofile Australia Pty Limited under this master services agreement fall in two statements of work.

Firstly, under the platform set-up and licence statement of work, Pureprofile Australia Pty Limited has agreed to set up the technological framework for managing this online panel for News Limited. In doing this, Pureprofile Australia Pty Limited will licence its proprietary software framework and other non-custom deliverables to News Limited for the duration of the master services agreement and will also provide News Limited with additional customised deliverables to establish and maintain the online portal.

Secondly, under the sales commercialisation statement of work, Pureprofile Australia Pty Limited and News Limited have agreed the revenue sharing arrangement between the parties for the sale of access to the online panel. Additional services may be provided under the master services agreement if agreed by the parties.

The master services agreement ends on 28 November 2016 unless terminated earlier. News Limited also has the option to extend the agreement for a further year on re-negotiated terms. Both parties have various early termination rights in circumstances of default and News Limited may terminate the master services agreement or any statement of work at any time without cause by giving Pureprofile Australia Pty Limited not less than 30 days' notice in writing. Cancellation fees may be required to be paid by News Limited in the event of early termination other than certain instances of termination for default by Pureprofile Australia Pty Limited.

Under the master services agreement, Pureprofile Australia Pty Limited must not provide services that are the same or similar to those being provided to News Limited to specified competitors of News Limited offering digital media services around Australia. This restraint operates until 60 days after the master services agreement or the sales commercialisation statement of work is terminated, or until 60 days after 28 November 2015, if certain performance measures relating to the take-up by consumers of News Limited's online content are not met at that date.

9.2 AA Smartfuel Limited Agreement

Pureprofile Australia Pty Limited has entered into an alliance agreement with AA Smartfuel Limited pursuant to which Pureprofile Australia Pty Limited will work with AA Smartfuel Limited to establish an online panel of consumers based in New Zealand and sell access to that online panel. AA Smartfuel Limited will provide Pureprofile Australia Pty Limited with assistance including promoting and encouraging cardholders to become Account Holders and collaborating with Pureprofile Australia Pty Limited to allow cardholders who become Account Holders to redeem their Pureprofile incentives through AA Smartfuel Limited's own reward program. Fees received from customers commissioning surveys that are responded to by Account Holders from this panel are shared between Pureprofile Australia Pty Limited and AA Smartfuel Limited. AA Smartfuel Limited is also entitled to payment for the redemption of Pureprofile incentives through AA Smartfuel Limited's reward program.

This agreement commences on 1 June 2015 and terminates on the date 2 years after expiry of the roll out period for the development of the technology that will be used to carry out the objectives of the agreement. The expiry of the roll out period occurs on a date to be agreed by the parties. This agreement will be renewed for a further period of 24 months after this initial term unless terminated earlier. Both parties have various early termination rights in circumstances of default and AA Smartfuel Limited may terminate the agreement at any time prior to the expiry of the initial term without cause by giving Pureprofile Australia Pty Limited not less than 60 days' notice in writing.

Under this agreement, Pureprofile Australia Pty Limited is subject to a restraint against entering into agreements with a direct competitor of AA Smartfuel Limited in New Zealand in relation to the recruitment of that competitor's members. This restraint does not apply if certain performance measures relating to the take-up by AA Smartfuel Limited cardholders are not met.

9.3 Amazon Web Service Customer Agreement for Hosting Services and Infrastructure

Pureprofile Australia Pty Limited has entered into a contract with Amazon Web Services, Inc (AWS) that governs Pureprofile Australia Pty Limited's use of the AWS service offerings, including the web hosting platform for Pureprofile's online infrastructure. The contract is on AWS standard terms. The contract is important to Pureprofile as an online business.

AWS can terminate for convenience by giving 30 days' advance notice to Pureprofile Australia Pty Limited. In addition, AWS can terminate, with immediate effect, for a broad range of other reasons (by notice to Pureprofile Australia Pty Limited), including if AWS suspends any of its services; if AWS's relationship with a third party partner who provides software or other technology that AWS uses to provide its services expires, terminates or requires AWS to change the way it provides the software or other technology; if AWS believes that providing the services could create a substantial economic or technical burden or material security risk for AWS; in order to comply with the law or requests of governmental entities; and if AWS determines that the use or provision of any of its services has become impractical or unfeasible for any legal or regulatory reason.

AWS can also immediately suspend some or all of its services (by notice to Pureprofile Australia Pty Limited) for various reasons. These reasons include if Pureprofile Australia Pty Limited breaches this contract or AWS determines that use of the services either poses a security risk to the services or any third party; may adversely impact the services or the systems or content of any other AWS customer; may subject AWS, its affiliates or any third party to liability; or may be fraudulent.

The services provided under this contract are provided by AWS 'as is'. AWS may change, discontinue or deprecate any of its services or change or remove features or functionality of the service offerings from time to time. AWS may also modify this contract at any time.

Pureprofile Australia Pty Limited would seek to replace AWS with another web hosting service provider in the event that its contractual relationship with AWS were to terminate or if AWS ceases to provide the required services.

9.4 ANZ Loan Facility

Pureprofile Australia Pty Limited has obtained a $500,000 overdraft facility and a $125,000 business loan facility from ANZ Bank. These loan facilities are supported by a number of securities provided by Pureprofile Australia Pty Limited as well as personal guarantees provided by Paul Chan and Fredrick Swaab.

9.5 Pilmore Loan Agreement

Pureprofile Australia Pty Limited and Pureprofile.com Inc have entered into a loan agreement with Fredrick Swaab and Pilmore Pty. Limited, a company controlled by Fredrick Swaab. Under the agreement, Pilmore Pty. Limited has lent Pureprofile Australia Pty Limited $300,000 for use as the cash security to be deposited with Pureprofile Australia Pty Limited's bankers to provide additional security for facilities given by the bank.

Pilmore Pty. Limited and Pureprofile have entered into an agreement to repay $200,000 of the capital of this loan by the issue of 400,000 Shares immediately prior to Completion of the Offer and to pay the balance of the capital and all accrued interest out of the proceeds of the Offer.

Under the loan agreement, Pureprofile Australia Pty Limited indemnifies both Pilmore Pty. Limited and Fredrick Swaab against a range of losses and costs suffered by either of them under the loan agreement. Pureprofile Australia Pty Limited also indemnifies Fredrick Swaab in relation to all losses, costs expenses and damages suffered by him in relation to a personal guarantee he provided as security for the ANZ Loan facility. A number of these indemnities continue until an express release is provided to Pureprofile Australia Pty Limited irrespective of the discharge of the company's obligations under the agreement.

9.6 Restructure documents

In anticipation of listing, Pureprofile undertook a major restructure. Immediately prior to commencement of the Restructure, the head company of Pureprofile was a US company. It had a wholly-owned US subsidiary and a majority owned UK company. The UK company in turn had wholly-owned UK and Australian subsidiaries.

Investors who only held shares in the majority owned UK company prior to the Restructure entered into agreements under which they agreed to transfer their shares in the UK company to the US company with the consideration for this transfer being the issue of new shares by the US company and to subsequently transfer their shares in the US company to Pureprofile with the consideration for this transfer being the issue of Shares.

Investors who only held shares in the US company prior to the Restructure entered into agreements under which they agreed to transfer their shares in the US company to Pureprofile with the consideration for this transfer being the issue of Shares.

Investors who held both shares in the majority owned UK company and the US company prior to the Restructure executed a transfer form transferring their shares in the UK company to the US company with the consideration for this transfer being the issue of new shares by the US company. The investors also entered into agreements under which they agreed to transfer their shares in the US company (including those issued in consideration for their shares in the UK company) to Pureprofile with the consideration for this transfer being the issue of Shares.

A number of investors entered into different agreements that reflected their specific circumstances.

9.7 Sparc Acquisition Agreement

9.7.1 Sale and purchase

On 1 May 2015, the Company and Funbox Media Group Pty Ltd (**Funbox**) entered into a global sale agreement (**Global Sale Agreement**) setting out the terms on which ACN 605 146 567 Pty Ltd (**Purchaser**), a subsidiary of the Company, will purchase the business and assets (**Sparc Business** or **Sparc Assets**) carried on by:

- Sparc Media Pty Ltd;
- Adsparc Pty Ltd; and
- Future Students Pty Ltd

which comprises:

- direct media buying and media trading on various on-line advertising exchanges; and
- rich media display advertising for digital media marketing campaigns; and
- performance marketing in the educational sector,

and which includes 99.9% of the issued share capital in two foreign subsidiary companies:

- Funbox India Private Limited (**Funbox India**), a company organised and operating in Mumbai, India; and
- Sparc Media sp. z o.o. (**Sparc Poland**), a company organised and operating in Kracow, Poland,

(**Acquisition**). The founder of Funbox, Wout Van Damme, holds one share in each of Funbox India and Sparc Poland, and pursuant to the Global Sale Agreement, he will sell and transfer these shares to the Purchaser simultaneously with the sale by the Sparc Vendors of the Sparc Business and Sparc Assets.

With respect to Funbox India, to comply with local Indian laws requiring a minimum of two shareholders, 49,999 shares in Funbox India will be acquired by the Purchaser and one share in Funbox India will be acquired by Pureprofile Australia Pty Ltd, another subsidiary of the Company.

The Global Sale Agreement was amended by the parties pursuant to a Deed of Variation relating to the Global Sale Agreement on 4 June 2015 to update certain provisions relating to completion of the Sparc Acquisition. The summary in this Section relates to the Global Sale Agreement as varied by that document.

9.7.2 Purchase price

The amount of the Purchase Price (**Purchase Price**) will be determined based on the normalised gross margin of each of the business units comprising the Sparc Business between the date of completion of the Global Sale Agreement (**Settlement Date**) and 31 December 2015 (**Earn-Out Period**).

The minimum purchase price payable pursuant to the terms of the Global Sale Agreement is AU$2,500,000 and the maximum purchase price is capped at AU$6,600,000 (**Price Cap**).

The Purchase Price is payable in a mixture of cash and non-cash consideration. The cash component of the Purchase Price is capped at AU$3,000,000 and is not intended to exceed 50% of the Purchase Price (**Cash Cap**) and the remainder of the Purchase Price will be paid in Shares.

The Company will pay the Purchase Price in four instalments:

1) AU$1,250,000 (plus an amount equal to the excess net working capital) in cash within 10 Business Days after the Settlement Date (**1st Instalment Payment Date**);

2) an amount determined by the gross margin of the business units comprising the Sparc Business during the Earn Out Period on:

   i. 1 September 2015, in a proportion of cash and Shares (issued at a 20% discount per Share to the Offer Price) to yield an equal split of cash and Shares of the Purchase Price payment up to that date;

   ii. 1 November 2015, in equal amounts of cash and Shares (issued at a price per Share equal to the 30 day VWAP as at close of trading on 30 October 2015); and

   iii. 1 March 2016, in equal amounts of cash and Shares (issued at a price per Share equal to the 30 day VWAP as at close of trading on 1 March 2016),

   each being an **Instalment Payment**.

All Instalment Payments are subject to the Cash Cap and the Price Cap.

A net working capital adjustment will be made to the Purchase Price following the Settlement Date. Part of the Purchase Price will be retained from the Instalment Payments payable after the Settlement Date as security for claims by the Purchaser. Details of this retention are set out in Section 9.7.9 below.

9.7.3 Conditions precedent (CPs)

The Global Sale Agreement contemplates that completion of the Acquisition will occur just prior to the Completion of the Offer.

As at the date of this Prospectus, all CPs have either been satisfied or waived by the parties to the Global Sale Agreement, other than one CP that the Sparc Vendors have completed to their satisfaction a review of the Purchaser's capacity to pay the cash component of the Purchase Price and passed resolutions approving the Purchaser's notice to the Sparc Vendors that the admission to the official list of the ASX and its application for quotation by ASX of the Shares becomes unconditional before 31 August 2015.

The Sparc Vendors have the right to terminate the Global Sale Agreement if the CP is not satisfied or waived by 27 August 2015.

If the Company fails to pay the 1st Instalment Payment when it is due, then Funbox has the right to rescind the Global Sale Agreement and receive a AU$100,000 break fee from the Company.

9.7.4 Settlement

On the Settlement Date, the Company will own the Sparc Business and Sparc Assets (including shares in Funbox India and Sparc Poland). On 1 September 2015 (the date of payment of the second Instalment Payment) Funbox will (subject to the points in this Section 9.7.4 below) become a shareholder in the Company.

On the 1st Instalment Payment Date, the Company will pay AU$1,750,000 into a term deposit account under its control and covenants not to transfer those funds until full payment of the Purchase Price has been made by the Company to Funbox.

If an Instalment Payment (other than the 1st Instalment Payment) is payable prior to the date on which admission to the official list of the ASX and the application for quotation by ASX of Shares becomes unconditional (**Admission Date**), then the Company will pay the non-cash component of the Purchase Price in the form of convertible notes issued by the Company. The Company's obligations in respect of the convertible notes will (subject to approval by shareholders under section 260B of the Corporations Act 2001) be secured in favour of Sparc Vendors by two general security deeds and a deed of guarantee and indemnity granted by the Purchaser and other members of the Group. On the Admission Date, any convertible notes issued to Funbox will be converted into Shares.

9.7.5 Funbox obligations prior to the Settlement Date

At all times prior to the Settlement Date, Funbox must conduct the Sparc Business as a going concern in the ordinary and usual course of business, including in respect to engagement with material customers and suppliers, employees, contractors. Funbox must cooperate with and provide access to the Company to conduct its due diligence of the Sparc Business and Funbox must not make any material change to the Sparc Business without the Company's consent.

9.7.6 Trade payables and receivables

Immediately following the 1st Instalment Payment Date, Funbox must use the proceeds of the initial cash payment of AU$1,250,000 to pay in full all due or overdue and outstanding invoices issued by trade creditors of the Sparc Business under a material supplier contract or in accordance with an agreed payment plan.

After the Settlement Date, Funbox will collect the trade receivables accrued in the Sparc Business prior to the Settlement Date for its own benefit.

9.7.7 Employees and contractors

The Purchaser will offer to employ all employees of the Sparc Business, and to engage each of the key independent contractors who provided services to the Sparc Business on the same, or no less favourable, terms and conditions. The Purchaser will also assume the liability for any accrued but untaken leave entitlements of transferring employees.

The Sparc Vendors will indemnify the Purchaser against any liability arising from claims by employees relating to the period before the Settlement Date, and any breach by the Sparc Vendors of their obligations to the employees.

9.7.8 Material customer and supplier contracts

Funbox and the Company will cooperate to ensure that all material customer and supplier contracts are either assigned for the benefit of the Company or novated to the Company, with an effective date on or shortly following the Settlement Date.

9.7.9 Warranties

Funbox and the Sparc Vendors have provided warranties to the Company and the Purchaser relating to the Sparc Business (including Sparc Poland and Funbox India) (**Seller Warranties**). These include corporate structure and insolvency, management accounts, ownership of assets, employees, litigation, property, intellectual property, computer systems and compliance with the law.

The Seller Warranties are qualified by various information and documents disclosed to the Company, and are limited to a maximum aggregate claim amount of AU$1,500,000. Any claims must be notified to Funbox within one year of the Settlement Date (**Warranty Period**).

As security for claims for breach of warranty which may be brought by the Company against Funbox, the Company will defer payment from the Instalment Payments payable after the Settlement Date of an amount up to AU$1,500,000 of the Purchase Price (**Deferred Payment**) subject to the financial performance of the Sparc Business. The Deferred Payment is comprised of:

1) up to AU$300,000 in cash to be held in escrow by a third-party escrow agent; and
2) Shares to a monetary value of AU$1,200,000 the issue of which will be withheld by the Company from the Instalment Payments.

The Deferred Payment will be released (and the relevant Shares issued) at the expiry of the Warranty Period or after determination of any warranty claims, if these are outstanding at that date.

The Company and the Purchaser have provided warranties to Funbox and the Sparc Vendors relating to the Company's business (**Purchaser Warranties**). These warranties comprise capacity and solvency, share capital, accounts, compliance with the law, litigation, intellectual property and a warranty that the Prospectus is not misleading.

The Purchaser Warranties are qualified by various information and documents disclosed to Funbox and are limited to a maximum aggregate claim amount of AU$1,500,000.

9.7.10 Indemnities

The Sparc Vendors will indemnify the Purchaser for all liabilities relating to the period before the Settlement Date in relation to:

a) the Sparc Business (other than Funbox India and Sparc Poland);
b) any tax liabilities of Funbox India and Sparc Poland; and
c) any liability or claims in connection with the licence relating to the Adsparc Software Customisation in respect of the exchange it is connected to,

other than any liability specifically assumed by the Purchaser in the Global Sale Agreement or ancillary documents.

9.7.11 Guarantees

Funbox will guarantee the performance of all of the Sparc Vendors' obligations under the Global Sale Agreement. The Company will give a similar guarantee to Funbox in relation to the Purchaser's obligations under the Global Sale Agreement.

9.7.12 Restraints

Funbox, its subsidiaries and the founders of Funbox, Wouter Dimitri Adam Van Damme and Sanjaya Molligoda (and each of their related companies), will be restrained from competing with the Sparc Business anywhere in the world, and from soliciting the staff, customers and suppliers of the Sparc Business for a period of one year from the Settlement Date.

9.7.13 Stamp Duty and GST

The Company must pay any stamp duty which is payable in relation to the Global Sale Agreement.

The parties have agreed that the Acquisition constitutes the sale of a going concern within the meaning of GST law and that no GST is payable on the Purchase Price in relation to the sale of the Sparc Business.

9.8 Exchange Master Services Agreement

Sparc Media Pty Ltd (Sparc) has entered into a master services agreement with a US based ad exchange (the Exchange) dated 19 February 2013. The master services agreement remains in effect until all exhibits (individual sub-agreements under which services are provided) are terminated.

Pursuant to a console service exhibit effective from 1 March 2013 (Exhibit), the Exchange provides Sparc with access to the Exchange's console service, and provides advertising inventory buying and selling services and advertising serving services through a real-time bidding process.

The term of the Exhibit is one year from the commencement date (being 1 April 2013), automatically renewing for successive one year terms, unless either party notifies the other, at least 60 days prior to the end of the term, of its intention not to renew the exhibit.

The Exchange has an immediate right to suspend the services for failure to pay any fees as invoiced by the Exchange (other than fees disputed in good faith). The Exchange may also suspend the services where Sparc does certain prohibited acts, including:

- copying, modifying, reverse engineering or creating derivative works of the Exchange's services;
- interfering with the proper working of the services;
- providing advertising content that contains malicious code or features; and
- directing users to sites that are obscene, deceptive or otherwise illegal.

Either party may terminate the Exhibit immediately on notice to the other party for a material breach of the master services agreement, provided that where the breach is capable of remedy, it is not remedied within 30 days of notification.

9.9 Underwriting Agreement

The Company and SaleCo have entered into an underwriting agreement dated 12 June 2015 with the Lead Manager pursuant to which the Lead Manager has agreed to underwrite and manage the General Offer made pursuant to this Prospectus.

Under the underwriting agreement, the Lead Manager will receive a management fee of 1% (plus GST) and an underwriting fee of 4% (plus GST) of the Offer Price per Share on all of the Shares offered under the General Offer. The Lead Manager will also receive payment from the Company for the costs and expenses of and incidental to all out-of-pocket expenses of the Lead Manager in connection with the Offer and all costs and expenses in respect of any post registration review of the Prospectus undertaken by the ASX, the ASIC or any other regulatory body.

The Lead Manager may terminate its obligations to satisfy a shortfall if any of the termination events specified in the underwriting agreement occur before the Shares offered under the General Offer are allocated under the Offer. Some (but not all) termination events are qualified by a requirement that before being entitled to terminate, the Lead Manager must believe, on reasonable grounds acting bona fide, that the relevant termination event has or is likely to have a materially adverse effect on the Company or the Group (in so far as the position in relation to an entity in the Group will or may affect the overall position of the Company) or on the outcome of the Offer or could give rise to a material liability of the Lead Manager.

Events of termination include (among others):

- ASIC issues a stop order in relation to the Offer;
- the Prospectus is defective;
- there is a difference between the information in the draft Prospectus for the Offer provided to the Lead Manager and the information contained in this Prospectus;

- a supplementary or replacement prospectus needs to be lodged with ASIC to complete the Offer without contravention of the Corporations Act;
- the Prospectus or the Offer is withdrawn;
- any person (other than the Lead Manager) withdraws its consent to being named in the Prospectus;
- ASX refuses to quote the Shares or will only quote the Shares subject to conditions unacceptable to the Lead Manager (acting reasonably);
- an unauthorised change to the capital structure of the Company or any member of the Group takes place;
- an insolvency event takes place in relation to a member of the Group;
- a market fall of 10% or more in the S&P/ASX All Ordinaries Index takes place and persists for at least 2 consecutive trading days or closes below that level on the trading day before the last date for allotment of Shares under the underwriting agreement;
- an outbreak or escalation of hostilities or a state of war exists involving Australia, New Zealand, the United Kingdom, United States of America, Japan, the People's Republic of China or the Republic of India;
- a general moratorium on commercial banking activities in Australia, the United States of America or the United Kingdom is declared by the relevant authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries;
- trading in all securities quoted or listed on ASX, the London Stock Exchange or the New York Stock Exchange is suspended or limited in a material respect for at least two days on which that exchange is open for trading;
- any materially adverse change or disruption to the existing financial markets, political or economic conditions of, or currency exchange rates or controls in, Australia, the United States of America or the United Kingdom, or the international financial markets or any materially adverse change in national or international political, financial or economic conditions;
- a change or development (which was not publicly known prior to the date of this Agreement) involving a prospective materially adverse change in taxation affecting the Company or the Offer occurs;
- a material adverse change takes place in relation to the Company or the Group;
- the Company or other member of the Group commits a material contravention of its constitution the Corporations Act or any applicable law;
- the Company or SaleCo breaches a material obligation under the underwriting agreement;
- a director of the Company or SaleCo is charged with an indictable offence;
- a representation or warranty given by the Company or SaleCo under the underwriting agreement is untrue or incorrect in any material respect and the matters rendering the warranty untrue or incorrect are not remedied to the satisfaction of the Lead Manager;
- any of the material contracts summarised in this Section 9 are amended or terminated without the Lead Manager' prior consent; and
- the Company becomes engaged in any legal proceedings.

The Company has agreed to indemnify the Lead Manager and its officers, employees, advisers and related bodies corporate against all claims, demands, damages, losses, costs, expenses and liabilities suffered or incurred by them as a result of a representation or warranty given by the Company or SaleCo under the underwriting agreement not being true and correct, any breach of the underwriting agreement by the Company or SaleCo, the distribution of this Prospectus and the making of the Offer or any advertising or publicity of the Offer issued with the knowledge and consent of the Company and SaleCo and without the prior written consent of the Lead Manager (subject to certain exemptions relating to, among other things, fraud, recklessness, wilful misconduct or gross negligence by them).

9.10 Contract Summaries

Summaries of contracts set out in this Prospectus are included for the information of potential investors but do not purport to be complete and are qualified by the text of the contracts themselves.

10. Additional Information

10. Additional Information

10.1 Incorporation

The Company was incorporated in Victoria, Australia on 14 January 2014 as a public company limited by shares.

10.2 Balance date

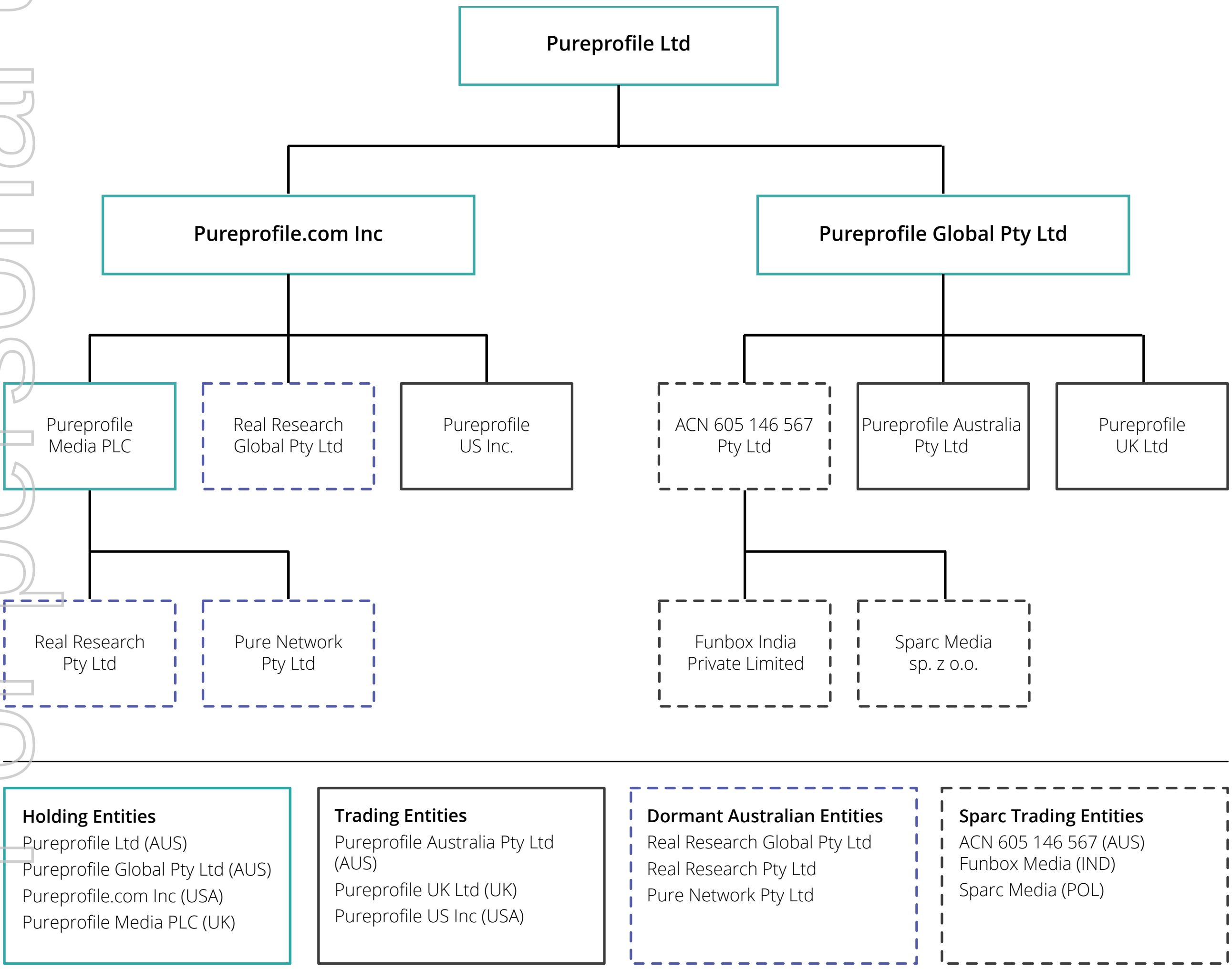
The Company has a balance date of 30 June.

10.3 Company tax status

The Directors expect that Pureprofile will be taxed in Australia as a public company.

10.4 Corporate structure

The following diagram shows the anticipated corporate structure of the Group on completion of the Offer. Refer to Section 9.7 for an explanation of the Sparc Acquisition which will occur prior to the ASX Listing Date (the effect of which is reflected in the diagram below).



All entities in the above diagram will, prior to Completion of the Offer, be wholly-owned. The nature of the business of each entity is:

Pureprofile Ltd.
The ultimate holding entity of the Group. This Prospectus contains an offer of Shares in this company.

Pureprofile.com, Inc.
Former parent entity of the Group prior to the Restructure (see Section 9.6). Incorporated in the State of Delaware, United States.

Pureprofile Global Pty Ltd
Holding entity of the Australian and UK trading entities.

Pureprofile Media PLC
Holding entity of Pureprofile Australia Pty Ltd and Pureprofile UK Ltd prior to the Restructure (see Section 9.6).

Pureprofile Australia Pty Limited
The main trading entity of the Group. Most of the technical, marketing, sales, delivery and operational functions are serviced from this entity.

Pureprofile UK Limited
Trading entity in the UK. Performs business development and delivery functions in the European market on behalf of Pureprofile Australia Pty Limited.

Pureprofile US Inc.
Trading entity in the US. Performs business development and delivery functions in the North American market on behalf of Pureprofile Australia Pty Limited.

A.C.N. 605 146 567
Recently incorporated entity to acquire the assets of Sparc's Australian business and the shares in Sparc's Polish and Indian subsidiaries. Is expected to trade under a new business name upon the completion of the Sparc Acquisition.

Funbox India Private Limited
Trading entity based in India. Carries out the business of Sparc in the Indian market.

Sparc Media sp z.o.o
Established in 2014 to service the European market.

Real Research Pty Ltd; Real Research Global Pty Ltd; Pure Network Pty Ltd
Dormant Australian entities. They do not trade.

10.5 Constitution and rights and liabilities attaching to Shares

Introduction

The rights and liabilities attaching to ownership of Shares arise from a combination of the Constitution, statute, ASX Listing Rules and general law.

The following is a summary of the more significant rights and liabilities attaching to the Shares and a description of other material provisions of the Constitution. This summary is not exhaustive and nor does it constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice. The summary assumes that Pureprofile is admitted to the official list of ASX.

Voting at a general meeting

Subject to any rights or restrictions for the time being attached to any class of shares, at a general meeting of members every Shareholder present in person or by proxy, attorney or representative has one vote on a show of hands and one vote per share on a poll Share.

Dividends

The Directors may from time to time authorise the payment or crediting by the Company to the Shareholders of dividends as appear to the Directors to be justified subject to the requirements of the Corporations Act. Subject to any special rights, all dividends are to be paid according to the amounts paid on the shares in respect of which the dividend is paid. For further information in respect of Pureprofile's proposed dividend policy, see Section 5.9 of this Prospectus.

Future issues

Without prejudice to any special rights conferred in relation to existing shares but subject to the Constitution of the Company, the Corporations Act and the ASX Listing Rules, the Directors may allot, issue, grant options over, or otherwise deal with the unissued shares in the Company at the times and on the terms and conditions that the Directors think proper and a share may be issued with preferential, deferred or special rights, privileges or conditions or restrictions including, but not limited to, restrictions in regard to dividend, voting or return of capital as the Directors from time to time determine.

Transfer of shares

Subject to the Constitution, a Shareholder may transfer Shares by an instrument of transfer in writing in any usual or common form or in any other form approved by the Directors.

The Company may participate in any computerised or electronic system for market settlement, security transfer and registration in which the Corporations Act permits the Company to participate. If the Company participates in such a system, then despite any other provision in the Constitution, Shares may be transferred, and transfers may be registered, in any manner required or permitted those rules and the Company must comply with and give effect to those rules.

Otherwise, the Directors of the Company are permitted under the Constitution to refuse to register a transfer of shares in specific circumstances, including if permitted to do so under the ASX Listing Rules or where the Shareholder has failed to comply with certain statutory disclosure requirements relating to those shares. The Board must refuse to register a transfer of Shares when required by the Corporations Act, the ASX Listing Rules or the ASX Settlement Operating Rules or where the transfer is in breach of the ASX Listing Rules or any escrow agreement relating to restricted securities entered into by the Company.

Subject to the Constitution, the Corporations Act and the ASX Listing Rules, the Board may suspend the registration of transfers for a period not exceeding 30 days in any year.

Meetings and notices

Subject to the Constitution, the Corporations Act and the ASX Listing Rules, each shareholder is entitled to receive notice of attend and vote at general meetings of the Company and to receive all the notices, accounts and other documents required to be sent to shareholders under the Constitution, the Corporations Act or the ASX Listing Rules. Shareholders may requisition meetings in accordance with the Corporations Act and the Constitution.

Winding up

Subject to the Constitution and all applicable laws, Shareholders will be entitled, in winding up, to surplus assets of the Company in proportion to the number of shares held by them, irrespective of the amount paid up or credited as paid up on the shares. The Constitution also provides that shares classified as restricted securities at the time of the commencement of the winding up shall rank in priority after all other shares.

If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Shareholders:

- divide among the Shareholders the whole or any part of the property of the Company;
- set such value as the liquidator considers fair on any property to be so divided; and
- determine how the division is to be carried out as between the Shareholders.

Unmarketable parcels

Subject to the Corporations Act and the ASX Listing Rules, Pureprofile may, subject to the conditions set out in the Constitution, sell the Shares of a Shareholder who holds less than a marketable parcel of Shares.

Share buy-backs

So far as it permitted by law, Pureprofile may buy back Shares in itself on terms and at times determined by the Board.

Variation of class rights

At present, Pureprofile's only class of shares on issue is ordinary shares. Subject to the Corporations Act and the terms of issue of a class of shares, the rights attaching to any class of shares may be varied or cancelled:

- with the consent in writing of the holders of three quarters of the issued shares included in that class; or
- by a special resolution passed at a separate meeting of the holders of those shares.

In either case, the holders of not less than 10% of the votes in the class of shares, the rights of which have been varied or cancelled, may apply to a court of competent jurisdiction to exercise its discretion to set aside such a variation or cancellation.

Directors – appointment and removal

Under the Constitution, the minimum number of Directors is three and the maximum is ten or such less a number as the Directors determine unless the Company in a general meeting determines otherwise. A Director is not required to hold any shares.

Directors must retire at the annual general meeting in the following circumstances:

- any Director appointed by the Directors since the last annual general meeting;
- one third of the other Directors (or the nearest one third); and
- any other Director not in that one third who has held office for three years or more (not counting the first appointed Managing Director).

The first appointed Managing Director is not required to retire under these rules.

Directors – voting

Questions arising at a meeting of the Board will be decided by a majority of votes of the Directors involved and voting. In the case of an equality of votes on a resolution, the chairperson of the meeting has a casting vote, unless only two Directors are present and entitled to vote on the question.

Directors – remuneration

The Constitution provides that the Directors are entitled to such remuneration for their services as Directors a sum not exceeding such fixed sum per annum as may be determined by the Directors prior to the first annual general meeting of the Company. The remuneration of the Directors shall not be increased except pursuant to a resolution passed by Shareholders at a general meeting where notice of the suggested increase has been given to Shareholders in the notice of meeting.

Non-executive Director remuneration is described in detail in Section 4.3.2.3 of this Prospectus.

Directors – interests and Share issues

The Constitution provides that the Directors shall, subject to the ASX Listing Rules, the Constitution and the Corporations Act (and any other applicable law), be entitled to have a material personal interest or financial benefit in the Company. Directors and their associates can also participate in an issue of Shares by the Company if the participation is permitted under the ASX Listing Rules (and any other applicable law).

Officers' indemnity

To the extent permitted by the Corporations Act, the Company must indemnify each person who is or has been an officer, auditor or agent of the Company against any liability incurred by the person in their capacity as an officer, auditor or agent of the Company or any related corporation.

Shareholder liability

As the shares under the prospectus are fully paid shares, they are not subject to any monetary calls by the directors and will therefore not become liable to forfeiture.

Alterations of the Constitution

The Constitution can only be amended by a special resolution passed by at least three-quarters of shareholders entitled to vote on the resolution and for which notice has been given in accordance with the Corporations Act .The Company must give at least 28 days' notice in accordance with the Corporations Act specifying the intention to propose the resolution as a special resolution.

ASX Listing Rules

If the Company is admitted to the official list of the ASX, then despite anything in the Constitution, if the ASX Listing Rules prohibit an act being done, the act must not be done. Nothing in the Constitution prevents an act being done that the ASX Listing Rules require to be done. If the ASX Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the ASX Listing Rules require the Constitution to contain a provision or not to contain a provision the Constitution is deemed to contain that provision or not to contain that provision (as the case may be).

If any provision of the Constitution is or becomes inconsistent with the ASX Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

10.6 Australian taxation considerations

The acquisition and disposal of Shares will have tax consequences. The following tax implications are applicable to Australian tax residents that hold Shares on capital account.

The taxation implications of participation in this Offer can vary depending upon the circumstances of each individual investor.

Investors who are in doubt as to their taxation position should seek professional advice. It is solely the responsibility of the individual applicant to inform himself or herself of his or her taxation position resulting from participation in this Offer.

Dividends paid on Shares will constitute assessable income for Investors. Any dividend on Shares may or may not have a franking credit attached. Investors should be entitled to a tax offset equal to any franking credit attached to a dividend.

The disposal of Shares will result in a capital gains tax event. Investors will have a capital gain where the capital proceeds on disposal of Shares exceed the cost base of those Shares. Investors will have a capital loss where the capital proceeds on disposal of Shares are less than the reduced cost base of those Shares. Where Investors have a capital gain, they may be eligible for a capital gains tax discount where they have held the Shares for more than 12 months. Investors may be eligible to offset any capital losses against other capital gains they have, subject to certain recoupment tests being satisfied.

The above does not purport to be an exhaustive statement of the law relating to tax and is provided as a guide only. If you are in any doubt, please consult your accountant, lawyer or taxation consultant.

To the maximum extent permitted by Law, the Company, its current and proposed officers and each of their respective advisers accept no responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

Tax File Numbers

An Applicant for Shares is not obliged to quote his or her Tax File Number (TFN). However, in cases where no TFN is quoted, Pureprofile must deduct tax from any dividend payable (to the extent that they are not franked) at the top personal marginal rate plus Medicare Levy, which presently amounts to 49% in aggregate. There are special rules for the quotation or non-quotation of TFNs applying to different categories of investors such as non-residents of Australia, tax-exempt bodies, joint holders and other special categories. Applications by individuals, companies, partnerships, trustees, superannuation funds and approved deposit funds are largely unaffected by any special rules and therefore may quote a TFN by simply completing the TFN details on the Application Form.

The above does not purport to be an exhaustive statement of the law relating to TFNs and is provided as a guide only. If you are in any doubt, please consult your accountant, lawyer or taxation consultant.

Goods and Services Tax

Investors should not be liable for goods and services tax in respect of the acquisition or disposal of Shares. No GST should be payable by Shareholders on receiving dividends distributed by the Company.

Stamp Duty

No Australian stamp duty should be payable by Shareholders in respect of their acquisition or disposal of their Shares.

Individual Shareholders should obtain their own independent advice depending on their individual circumstances.

Employee Award Offer

The Company will provide a general summary of Australian tax issues relating to the Employee Award Offer to Eligible Employees in the separate offer letter.

10.7 Litigation

So far as the Directors are aware, the Company is not involved in any legal proceedings nor, so far as the Directors are aware, are there current or threatened civil litigation, arbitration proceeding or administrative appeal, or criminal or governmental prosecution of a material nature in which the Company is directly or indirectly concerned which are likely to have a material adverse effect on the business or financial position of the Company.

10.8 Consents

Each of the parties referred to below (each a "**Consenting Party**"), to the maximum extent permitted by law, expressly disclaims all liabilities in respect of, makes no representations regarding and takes no responsibility for any statements in or omissions from this Prospectus, other than the reference to its name in the form and context in which it is named and a statement or report included in this Prospectus with its consent as specified below.

Each of the Consenting Parties has given and has not, before the lodgement of the Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus in the form and context in which it is named. None of the Consenting Parties referred to below has made any statement that is included in this Prospectus or any statement on which a statement is made in this Prospectus is based, other than as specified below:

- Blue Ocean Equities Pty Ltd;
- Shaw Stockbroking Limited;
- Watson Mangioni Lawyers Pty Limited;
- Swaab Attorneys;
- Moore Stephens Sydney Corporate Finance Pty Limited;
- Moore Stephens Sydney;
- Moore Stephens LLP;
- TMT Partners Pty Limited;
- Boardroom Pty Limited.

Moore Stephens Sydney Corporate Finance Pty Limited has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to the inclusion in this Prospectus of statements by it, including its Investigating Accountant's Report in Section 6 and the statements specifically attributed to it in the text of, or by a footnote in, this Prospectus, in the form and context in which they are included (and all other references to that report and those statements) in this Prospectus.

Each of Moore Stephens Sydney and Moore Stephens LLP has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to the inclusion in this Prospectus of statements specifically attributed to it in the text of this Prospectus, in the form and context in which they are included (and all other references to those statements) in this Prospectus.

10.9 Governing Law

This Prospectus and the contracts that arise from the acceptance of the Applications are governed by the law applicable in NSW (Australia), and each applicant for Shares under this Prospectus submits to the exclusive jurisdiction of the courts of NSW (Australia).

10.10 Subsequent events

There has not arisen at the date of this Prospectus any item, transaction or event of a material or unusual nature not already disclosed in this Prospectus which is likely, in the opinion of the Directors of the Company to affect substantially:

- the operations of the Company;
- the results of those operations; or
- the state of affairs of the Company.

10.11 Directors' statement, authorisation and consent

The Directors state that they have made all reasonable enquiries and on that basis have reasonable grounds to believe that any statement made by the Directors in this Prospectus is not misleading or likely to mislead or deceive. With respect to any statements made in the Prospectus other than by the Directors, the Directors have made reasonable enquiries and on that basis have reasonable grounds to believe that the persons making those statements are competent to make such statements, those persons have given their consent to the statements included in this Prospectus in the form and context in which they are included and have not withdrawn their consent before lodgement of this Prospectus.

In accordance with section 720 of the Corporations Act, each Director and each director of SaleCo has consented to the lodgement with ASIC of this Prospectus and has not withdrawn that consent.

11. Glossary

11. Glossary

Where the following terms are used in this Prospectus they have the following meanings:

1H16 means the 6 months ending 31 December 2016.

2H16 means the 6 months ending 30 June 2017.

A$** or **$ or **cents** means Australian currency (unless otherwise stated).

Account Holder means an individual that has registered with the Pureprofile service via a web or mobile application.

AEST means Australian Eastern Standard Time as observed in Sydney, New South Wales.

Applicant means a person who submits an Application.

Application means an application made for Shares under this Prospectus.

Application Form means the application form attached to or accompanying this Prospectus (including the electronic form).

Application Monies means the Offer Price multiplied by the number of Shares applied for.

ASIC means the Australian Securities and Investment Commission.

ASX means ASX Limited (ABN 98 008 624 691) trading as the Australian Securities Exchange or the financial market operated by it (as the context requires).

ASX Listing Date means the first day of trading of Shares on the ASX.

ASX Listing Rules or **Listing Rules** means the official listing rules of ASX.

ASX Settlement Operating Rules means the rules of ASX Settlement Pty Limited (ACN 008 504 532).

Australian Accounting Standards or **Accounting Standards** means accounting standards as defined in the Corporations Act.

Board or **Board of Directors** means the board of Directors as constituted from time to time.

Broker to the Offer means Shaw Stockbroking Limited (ACN 003 221 583).

Business Day means a day on which the ASX is open for trading.

CHESS means the Clearing House Electronic Sub-register System which is operated by ASX Settlement Pty Ltd, a wholly owned subsidiary of ASX.

Closing Date means the date by which Applications must be lodged for the Offer, being 17 July 2015 (or such other date as determined by the Board without prior notice).

Cloud Computing means allowing application software to be operated using internet-enabled devices.

Company means Pureprofile Ltd. (ACN 167 522 901).

Completion of the Offer means completion of the Offer, being the date on which Shares are issued and transferred to successful Applicants under the Offer.

Constitution means the constitution of the Company.

Cookie means a small piece of data sent from a website and stored in a user's web browser while the user is browsing that website. Every time the user loads the website, the browser sends the cookie back to the server.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of this Company as at the date of this Prospectus.

EBIT means earnings before interest and taxation.

EBITA means earnings before interest, taxation and amortisation of acquired intangibles.

EBITDA means earnings before interest, depreciation, amortisation and taxation.

Eligible Employees means all permanent full-time and permanent part-time employees of Pureprofile and Sparc in Australia who have been employed by Pureprofile or Sparc (as relevant) for at least 3 months as at 5.00pm (AEST) on the date of the Original Prospectus (provided that they remain so employed at the date of issue and allotment of Shares under the Offer).

Employee Award Offer means the invitation to Eligible Employees to apply for 2,000 Shares each for no consideration, as described in Section 8.4.

Existing Shareholders means all holders of Shares immediately prior to Completion of the Offer.

Financial Information has the same meaning given to that term in Section 5.1.

Forecast Financial Information has the same meaning given to that term in Section 5.1.

FY14 means the financial year ended 30 June 2014.

FY15 means the financial year ending 30 June 2015.

FY16 means the financial year ending 30 June 2016.

General Offer means the offer of Shares under this Prospectus to Australian resident investors (other than the Employee Award Offer).

Group means Pureprofile.

GST means goods and services tax.

HIN means Holder Identification Number.

HY15 means the 6 months ended 31 December 2014.

Lead Manager means Blue Ocean Equities Pty Limited (ACN 151 186 935).

LTI means the Pureprofile long term incentive plan described in Section 4.3.4.1.

Offer means the offer of Shares under this Prospectus.

Offer Price means 50 cents per Share, payable on application for the Shares.

Official Quotation means quotation on the Official List of the ASX.

Opening Date means 22 June 2015 (or such other date as determined by the Board without prior notice, subject to the Corporations Act).

Options means options granted under the LTI as described in Section 4.3.4.2.

Original Prospectus means the prospectus issued by Pureprofile and SaleCo dated 12 June 2015, which was lodged with ASIC on that date and is replaced by this Prospectus.

Platform means Pureprofile's core, proprietary technology used to manage a suite of business and consumer web and mobile applications.

Pro Forma Balance Sheet has the same meaning given to that term in Section 5.1.

Pro Forma Forecast Cash Flow Statements has the same meaning given to that term in Section 5.1.

Pro Forma Forecast Financial Information means the Pro Forma Forecast Results and the Pro Forma Forecast Cash Flow Statements.

Pro Forma Forecast Results has the same meaning given to that term in Section 5.1.

Pro Forma Historical Cash Flow Statements has the same meaning given to that term in Section 5.1.

Pro Forma Historical Financial Information has the same meaning given to that term in Section 5.1.

Pro Forma Historical Results has the same meaning given to that term in Section 5.1.

Profile means a composition of answers to questions, behavioural data (including website visits and clicks), social data connects and transactional data. All of these disparate data types are combined into proprietary structures that enable the Pureprofile Platform to deliver its suite of features.

Prospectus means this document (including the electronic form of this Prospectus) and any replacement or supplementary prospectus in relation to this document.

Prospectus Date means the date on which a copy of the Original Prospectus was lodged with ASIC, being 12 June 2015.

Pureprofile means prior to the Sparc Acquisition, the Company and its subsidiaries excluding Sparc; and after the Sparc Acquisition, the Company and its subsidiaries including Sparc.

Real-time bidding (RTB) means a process whereby advertising inventory is bought and sold on a per-impression basis, via programmatic instantaneous auction.

Restructure means the restructure of Pureprofile described in Section 9.6.

Rewards means rewards granted under the STI as described in Section 4.3.4.1.

SaleCo means Secondary Offering Pty Ltd (ACN 601 123 460).

Section means a section of this Prospectus.

Share means a fully paid ordinary share in the capital of the Company.

Share Registry means Boardroom Pty Limited (ACN 003 209 836).

Shareholder means a holder of Shares.

Sparc means the businesses of Sparc Media Pty Ltd, Future Students Pty Ltd, Adsparc Pty Ltd and 100% of the shares of Funbox India Private Limited (India) and Sparc Media sp. z o.o. (Poland).

Sparc Acquisition means the acquisition by the Company and its subsidiaries of Sparc from the Sparc Vendors (and purchase of 1 share in each of Funbox India and Sparc Poland from Wout Van Damme) pursuant to the Global Sale Agreement summarised in Section 9.7, which is proposed to occur after the Prospectus Date and prior to Completion of the Offer.

Sparc Vendors means, collectively, Adsparc Pty Ltd (ACN 142 222 393), Future Students Pty Ltd (ACN 136 749 436) and Sparc Media Pty Limited (ACN 108 783 624).

Software as a service (SaaS) is a software licensing and delivery model in which software is licensed on a subscription basis and is centrally hosted. It is sometimes referred to as "on-demand software".

SRN means Shareholder Reference Number.

Statutory Forecast Cash Flow Statements has the same meaning given to that term in Section 5.1.

Statutory Forecast Financial Information means the Statutory Forecast Results and the Statutory Forecast Cash Flow Statements.

Statutory Forecast Results has the same meaning given to that term in Section 5.1.

Statutory Historical Results has the same meaning given to that term in Section 5.2.1.

STI means the Pureprofile short term incentive plan described in Section 4.3.4.1.

TMT Partners means TMT Partners Pty Limited (ACN 096 929 083).

US$ means United States currency.

VWAP means the volume weighted average price for the Shares at a particular date or calculated over a particular period.

Watson Mangioni means Watson Mangioni Lawyers Pty Limited (ACN 120 091 394).

Appendix 1 – Significant Accounting Policies

The principal accounting policies adopted in the preparation of the Financial Information are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

The preparation of Financial Information requires the application of accounting policies. The selection of accounting policies requires judgment and the application of policies requires estimates and assumptions to be applied. Actual results may differ to those derived from the application of accounting policies were actual outcomes vary to assumptions and estimates made.

Principles of consolidation

The consolidated balances incorporate all of the assets, liabilities and results of the parent company and all of its subsidiaries. Subsidiaries are deemed to be entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The assets, liabilities, and results of all subsidiaries has been fully consolidated into the proforma statement of financial performance and financial position from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases.

Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Merged Group.

Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses, and is accounted for by applying the acquisition method. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised.

All transaction costs incurred in relation to business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in profit or loss when incurred.

Revenue

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period, where the outcome of the contract can be reliably estimated. The stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed.

Interest revenue is recognised using the effective interest method.

Grant income received is recognised as income in the period in which it is received.

All revenue is stated net of the amount of GST.

Income tax

The income tax expense/(income) for the year comprises current income tax expense/(income) and deferred tax expense/(income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities/(assets) are measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense/(income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale.12

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Foreign currency translation

Items included in the Financial Information of each of the Merged Group entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Australian dollars, which is the functional and presentation currency of the Merged Group.

Foreign currency transactions are translated into functional currency using the exchange rates in effect at the date of each transaction. Amounts payable to or by the Merged Group in foreign currencies have been translated into the functional currency at the exchange rates ruling on balance date.

Gains and losses arising from the fluctuations in exchange rates on monetary assets and liabilities are included in the income statement in the period in which the exchange rates change.

Employee Expenses & Entitlements

The Merged Group has made a provision in relation to its obligation for employee benefits arising at the end of the reporting period.

Employee expenses that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee expenses payable later than one year have been measured at the present value of the estimated future cash outflows to be made for these benefits.

In determining the liability, consideration is made to employee wage increases and the probability the employee may satisfy any vesting requirements, and are discounted using market yields that match the expected timing of cash flows attributable to employee expenses.

Provision has been made in the accounts for benefits accruing to employees up to balance date, such as annual leave, long service leave and bonuses. No provision is made for non-vesting sick leave. Annual leave provisions are measured at their nominal amounts using the remuneration rates expected to apply at the time of settlement and are classified as other payables. Long service leave provisions are measured at the present value of expected future payments to be made in respect of the services provided by employees up to reporting date. The expected future payments are discounted using market yields at the end of the reporting period.

All on-costs, including superannuation, payroll tax, workers' compensation and fringe benefits tax are included in the determination of such provisions.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held at call with banks , as well as bank overdrafts. Bank overdrafts are reported within short-term borrowings in current liabilities in the statement of financial position.

Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost, less any provision for doubtful debts. Collectability of trade receivables are reviewed on an ongoing basis, and debts that are known to be uncollectable are written off.

A provision for doubtful debts is raised when there is objective evidence that the Merged Group will not be able to collect all amounts due. The amount of any impairment loss is recognised in the income statement within other expenses.

When a receivable for which an impairment allowance has been recognised becomes uncollectable in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the income statement.

Goodwill

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

(i) the consideration transferred;

(ii) any non-controlling interest (determined under either the full goodwill or proportionate interest method); and

(iii)the acquisition date fair value of any previously held equity interest;

over the acquisition date fair value of net identifiable assets acquired.

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Goodwill is tested for impairment annually and is allocated to the Merged Group's cash-generating units or groups of cash-generating units, representing the lowest level at which goodwill is monitored being not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity disposed of.

Intangible assets

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reductions are capitalised. Costs capitalised include external direct costs of materials and service, employee costs and an appropriate portion of relevant overheads.

Development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where the Merged Group has an intention and ability to use the asset.

Capitalised development costs have useful life of 5 years and are amortised on a straight line basis over the useful life of the project.

Impairment of assets

Other assets are reviewed for impairment whenever assets or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value, less any accumulated depreciation or amortisation (where applicable).

Plant and equipment are measured on a cost basis and therefore are carried at cost less accumulated depreciation and any accumulated impairment. Where the carrying amount of plant and equipment exceeds the estimated recoverable amount, the carrying amount is written down to the estimated recoverable amount and impairment losses are recognised in the profit or loss statement.

The carrying amount of plant and equipment is reviewed annually by the directors to ensure it is not in excess of the recoverable amount from these assets.

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the Merged Group commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation rate
Plant and equipment	33%
Leasehold improvements	11%
Furniture, fixtures and fittings	33%
Computer and office equipment	33%

The assets' residual values and useful lives are reviewed at each balance sheet date, with adjustments made if appropriate.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement.

Trade and other payables

Trade and other payables represent the liabilities for goods and services received by the Merged Group prior to the end of the reporting period that are unpaid. The balance is recognised as a current liability and are normally paid within 30-45 days of recognition of the liability.

Account Holder Liabilities

The Merged Group invites its internet panel members to complete surveys in exchange for a cash or points-based incentive. These amounts are not paid until a predetermined target value has accrued on a members' account, and despite this, an assessment of incentives likely to be paid (present obligation) is made taking into account past behaviour and activity. This is recognised as a cost of sale in the period in which the service is provided.

The Merged Group has determined that balances accrued by panel members that have been inactive (i.e. not completed any transaction) for more than one year should be written back to the statement of comprehensive income. Based on this, the net provision represents the maximum amount that the Merged Group estimates is likely to be claimed by panel members.

Provisions

Provisions are recognised when the Merged Group has a legal or constructive obligation, as a result of past events, for which it is probable than an outflow of economic benefits will result and that outflow can be reliably measured.

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In this instance, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of an expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included in other receivables or other payables in the statement of financial position.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the new share issue are shown in equity as a deduction, net of tax, from the proceeds.

Corporate Directory

Directors
Fredrick Swaab
(Non-Executive Chairman)

Paul Chan
(Managing Director and Chief Executive Officer)

Geoffrey Nesbitt
(Executive Director and Chief Financial Officer)

Clifford Rosenberg
(Non-Executive Director)

Andrew Edwards
(Non-Executive Director)

Company Secretary
Elissa Hansen

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Telephone: 02 9333 9700
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SYDNEY NSW 2000

Corporate Adviser
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SYDNEY NSW 2000

Lead Manager
Blue Ocean Equities Pty Ltd
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SYDNEY NSW 2000

Broker to the Offer
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Level 15
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SYDNEY NSW 2000

Auditor
Moore Stephens Sydney
Level 15
135 King Street
SYDNEY NSW 2000

Investigating Accountant
Moore Stephens Sydney
Corporate Finance Pty Limited
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135 King Street
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Share Registry
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